United States Court of Appeals

for the Second Circuit

APPENDIX

76-1159

B
P/S

United States Court of Appeals

FOR THE SECOND CIRCUIT

Index No. 75 Cr. 956 (CMM)

UNITED STATES OF AMERICA, *Plaintiff,*

—*v*—

EDWIN MENDLINGER, STANLEY SCHILDINGER, a/k/a Stanley Snyder, STUART SCHIFFMAN, BARRETT KOBRIN AND BERNARD GRINDLINGER, *Defendants.*

ON APPEAL FROM UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

APPENDIX FOR APPELLANT

BANDLER AND KASS,
Attorneys for Defendant-Appellant,
Stanley Schildinger,
a/k/a Stanley Snyder
605 Third Ave.,
New York, N. Y. 10016
(212) 972-1100

Of Counsel:
WILLIAM SHERR

UNITED STATES COURT OF APPEALS
FILED
JUN 22 1976
A. DANIEL FUSARO, CLERK
SECOND CIRCUIT

PAGINATION AS IN ORIGINAL COPY

INDEX

	PAGE
Relevant Docket Entries	A1
Judgment	A5
Notice of Motion	A6
Affidavit of William C. Sherr in Support of Motion	A12
Affidavit of Edwin Mendlinger in Support of Motion	A20
Affidavit of Stanley Schildinger a/k/a Starley Snyder in Support of Motion	A23
Exhibit A to Notice of Motion- Indictment	A26
Exhibit B to Notice of Motion- Demand for Bill of Particulars	A42
Exhibit C to Notice of Motion- Notice for Discovery and Inspection	A49
Government's Bill of Particulars and Answers to Motions for Discovery and for Other Relief	A55
Relevant Portions of Judge Metzner's Order, Dated January 12, 1976	A69
Government's Bill of Particulars in Response to Court Order, Dated January 12, 1976	A73
Motion for Judgment of Acquittal Notwithstanding the Verdict and, in the Alternative, For a New Trial	A78

PAGE

Order of Judge Metzner, dated April 16, 1976..... A85

Motion to Amend and Supplement Defendants' Mendlinger and Snyder's Motion for Judgment of Acquittal Notwithstanding the Verdict and, in the Alternative, For a New Trial..... A86

Order of Judge Metzner, dated April 16, 1976..... A90

Notice of Appeal..... A91

EXCERPTS FROM TRIAL RECORD CITED IN CONNECTION WITH APPELLANT'S PRELIMINARY STATEMENT OF THE BRIEF..... A92

Colloquy on Motion to Dismiss..... A93

EXCERPTS FROM TRIAL RECORD CITED IN CONNECTION WITH APPELLANT'S STATEMENT OF FACTS OF THE BRIEF..... A100

Government's Witness

Gary Aminoff
Direct..... A101
Cross by Mr. Sherr (Attorney for Appellant).. A103

Government's Witness

Stuart Schiffman
Direct..... A109
Cross by Mr. Sherr..... A117

Government's Witness

Stanley Peltz
Direct..... A118

PAGE

Government's Witness

Martin Messinger
Direct A122

Government's Witness

Nathan Hager
Direct A124

Government's Witness

Perry Joel Scheer
Direct..... A134

Defendant's Witness

Stanley Snyder
Direct by Mr. Sherr A151
Cross by Government A162

Charges to the Jury A163

EXCERPTS FROM TRIAL RECORD CITED IN CONNECTION.....
WITH APPELLANT'S POINT IA OF THE BRIEF..... A167

Government's Witness

Gary Aminoff
Direct A168
Cross by Mr. Sherr A170
Redirect A187

Government's Witness

Stuart Schiffman
Direct A191
Cross by Mr. Sherr A197

PAGE

Government's Witness

Harvey Printz
Direct A238
Cross by Mr. Gusrae (Attorney for defendant Kobrin) A243

Government's Witness

Nathan Hager
Direct A246

Government's Witness

Perry Joel Scheer
Direct A254
Cross by Mr. Sherr A259

Defendant's Witness

Stanley Snyder
Direct by Mr. Sherr A275

EXCERPTS FROM TRIAL RECORD CITED IN CONNECTION WITH APPELLANT'S POINT IB OF THE BRIEF..... A285

Government's Witness

Stuart Schiffman
Direct A286
Cross by Mr. Sherr A287

Government's Witness

Perry Joel Scheer
Direct A288
Cross by Mr. Sherr A291

EXCERPTS FROM TRIAL RECORD CITED IN CONNECTION WITH APPELLANT'S POINT II OF THE BRIEF..... A295

PAGE

Government's Witness

Perry Joel Scheer
Direct..... A296
Charge to the Jury by Judge Metzner A316

Government's Exhibit 1A..... A371

Government's Exhibit 6A..... A377

Government's Exhibit 6B..... A379

Government's Exhibit 6C..... A381

Government's Exhibit 6D..... A383

Government's Exhibit 6F..... A385

Government's Exhibit 6G..... A387

Government's Exhibit 7A..... A389

Government's Exhibit 7B..... A390

Government's Exhibit 7C..... A391

Government's Exhibit 7D..... A392

Government's Exhibit 7E..... A393

Government's Exhibit 7F..... A394

Government's Exhibit 7G..... A395

Government's Exhibit 8..... A396

Government's Exhibit 8A..... A398

PAGE

Government's Exhibit 8B..... A399

Government's Exhibit 20A..... A400

Government's Exhibit 20B..... A409

Government's Exhibit 20C..... A411

Government's Exhibit 20D..... A414

Government's Exhibit 25..... A417

Government's Exhibit 31B..... A419

Government's Exhibit 41..... A424

Government's Exhibit 42..... A427

Government's Exhibit 42A..... A428

Government's Exhibit 51..... A430

Government's Exhibit 52..... A455

Government's Exhibit 53A..... A465

Government's Exhibit 75C..... A493

Government's Exhibit 112..... A484

Government's Exhibit 113..... A487

PAGE

Defendant Mendlinger

Exhibit A1..... A490

Exhibit A2..... A491

Exhibit A3..... A492

Exhibit A4..... A493

Exhibit A5..... A494

Exhibit G..... A495

Exhibit L..... A497

Exhibit P1..... A498

Exhibit P2..... A498

Exhibit Q1..... A499

Exhibit Q2..... A499

Exhibit R1..... A500

Exhibit R2..... A500

Exhibit R3..... A500

Exhibit S1..... A502

Exhibit S2..... A502

Exhibit T..... A503

Defendant Kobrin

Exhibit K..... A504

A-1

U.S. DISTRICT COURT — CRIMINAL DOCKET

Felony ☒ Minor Offense ☐ Other Misdemeanor ☐

JUDGE/MAGISTRATE 0208 (District) 1 (Office)

Assigned Trial 0835 Disp./Sentence

● U.S. vs. SCHILDINGER, STANLEY, a/k/a Snyder, Stanley — defendant

Case Filed: Day 01 Mo. 10 Yr. 75

No. of Defnts 05

I. CHARGES

U.S. CODE SECTION	OFFENSES	COUNTS
18:371	Consp. to defraud.	1
18:1341	Mail fraud.	2-11
15:78j,ff	Securities fraud.	12
26:7206(1)(2)	False statements in tax returns.	14

MAGR. CASE NO.

BAIL ● Denied ☐ Cond. ☐ AMT Set (000) $ ____ date ____ ☐ Bail Not Made ☐ Bail Status Changed (See Docket)

ATTORNEYS

U.S. Attorney or Asst.: Steven A. Schatten, AUSA (212) 791-9154

Defense: ☐ CJA, ☐ Ret., ☐ Pvt., ☐ Self, ☐ None, Other, ☐ PD, ☐ CD: Bandler and Kass 605 3rd Ave, NYC 10016 972-1100

II. KEY INTERVALS & DATES

ARREST: ☐ U.S. Custody or Began on Above Charges; ☐ Prosecution Deferred

☐ High Risk Defn. & Date Design'd

INDICTMENT ☒ Information ☐ 10-1-75; Waived ☐; Superseding ☐ Indict./Info ☐

ARRAIGNMENT: 10-6-75; 1st Plea 10-6-75; Final Plea

TRIAL: Trial Set For 12-10-75; Not Guilty ☒, Nolo ☐, Guilty ☐; Not Guilty ☐, Nolo ☐, Guilty ☐; Voir Dire ☐ 2-10-76; Trial Began ☐ J ☐ N 2-10-76; Trial Ended 3-4-76

Disposition: ☒ Convicted, ☐ Acquitted, ☐ Dismissed: ☐, ☐ Nolled/Disco

III. MAGISTRATE JUDGE METZNER

		DATE	INITIAL/No.
Search Warrant	Issued		
	Return		
Summons	Issued		
	Served		
Arrest Warrant			
COMPLAINT ▶			
OFFENSE (In Complaint)			

INITIAL APPEARANCE — INITIAL/No.

PRELIMINARY EXAMINATION OR REMOVAL HEARING: Date Scheduled ____ Date Held ____; ☐ Waived ☐ Not Waived; ☐ Intervening Indictment

Tape No. — INITIAL/No.

OUTCOME: ☐ Dismissed; ☐ Held for District GJ; BOND ☐ ☐; ☐ Held to Answer to U.S. Distri; AT:

Magistrate's Initials ▶

IV. MAGISTRATE & DISTRICT COURT DOCKET ENTRIES

● Show last names and suffix numbers of other defendants on same indictment/information
Mendlinger-1, Schiffman-3; Kobrin-4; Grindlinger-5.

V. Exclu (a) (t

DATE	PROCEEDINGS
10-1-75	Filed indictment.
10-6-75	Deft. Schildinger(atty. present) Pleads not guilty. Bail fixed at $100,000. secured by $10,000. cash. Ordered photographed and fingerprinted. Deft to surrender passport to AUSA Mr. Schatten. Case assigned to Judge Metzner for all purposes. Cannella,J.
10-06-75	Filed appearance bond in the amt. of $100,000 of which $10,000 has been deposited with receipt #58749.
10-14-75	Defts. application to reduce bail is granted. Bail is now $100,000 PRB secured by $5,000 cash. Application to extend bail limits to New York State and New Jersey is granted. Defts. counsel to submit order. Metzner,J.
10-16-75	Filed order returning cash bail--ORDERED that the Clerk of this court pay out of the registry to deft. sum of $5,000 less clerk;s fees if any. Metzner,J.(consented to)
10-20-75	Check #6070 in the amt. of $5,000 was made payable to deft. and picked up by Michael ~~Faracco~~. Fonseca
12-03-75	Filed transcript of record of proceedings, dated 10-14-75
12-03-75	Filed transcript of record of proceedings, dated 10-31-75

DATE	IV. PROCEEDINGS (conti	V. EXCLUDABLE DELAY (a)	(b)	(c)	(d)
10-16-75	Filed order--ORDERED that the bail limits as prescribed in said defts. bail bond executed on Oct. 6,1975 are ext. to include all district within the continental US for the purpose of returning to his home;ORDERED that except for the provisions of theforegoing paragraph, said deft. shall abide by all terms of his bail bond of Oct. 6,1975 and shall not depart from the States of NY and New Jersey except upon 48 hrs. notice in writing prior to leaving,etc. as indicated,Metzner,J. m/n				
10-16-75	Filed remand dated Oct. 6,1975.				
10-28-75	Filed defts. affdt. and notice of motion to dismiss indictment,ret. on: date to be fixed by court.				
10-28-75	Filed defts. memorandum of law in support of above motion.				
1-14-76	Filed govts. affdt. of Steven Schatten in oppostion to defts. motions for discovery,inspection,bills of particulars,etc.				
1-14-76	Filed govts. memorandum of law.				
1-14-76	Filed govts. bill of particulars and answersto motion for discovery and other relief.				
1-13-76	Filed memo end. on defts. motion dated Oct. 28,1975 re:dismiss indictment,biil of particulars,etc.---bill of particulars is granted only as to overt act,etc. as indicated. So ordered,Metzner,J. m/n				
02-10-76	Filed defts examination of the Voir Dire.				
02-10-76	Filed Governments proposed examination of prospective jurors.				
02-19-76	Filed for Deft. Schildinger, Notice of Motion, returnable 2/17/76 at 10:00 A.M. for an order dismissing the Indictment.				
03-04-76	Filed Governments request to charge.				
03-04-76	Filed Governments 1st supplemental request to charge.				
03-04-76	Filed Governments 2nd supplemental request to charge.				
03-04-76	Filed Governments additional request to charge re non-deductibility of illegal payments.				
03-04-76	Filed Governments 2nd supplemental request to charge re non-deductibility of illegal payments.				
03-04-76	Filed deft's proposed jury instructions (by defts' Mendlinger and Schildinger).				
03-04-76	Filed deft's additional supplemental proposed jury instructions by defts' Mendlinger and Snyder				
03-04-76	Filed deft's objections to Government's additional suppl. proposed jury instructions.				
03-04-76	Filed 2nd supplemental proposed jury instruction by defts' Mendlinger and Snyder.				
03-04-76	Filed supplemental proposed jury instructions by defts' Mendlinger and Schildinger				
03-04-76	Filed defts' (Mendlinger and Schildinger) memorandum of law in opposition to admissibility of testimony by experts from the SEC and National Association of Securities Dealers.				

see pg 37

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(a) Interval (per Section 11)	(b) Start Date / End Date	(c) Ltr Code	(d) Total Days

DATE	PROCEEDINGS
02-10-76	Motion granted to quash all subpoenas. JURY TRIAL BEGUN as to
02-11-76	Jury trial contd.
02-13-76	"
02-17-76	"
02-18-76	"
02-19-76	"
02-20-76	"
02-23076	" Motion to dismiss cts. 16 & 18 are denied.
02-24-76	"
02-25-76	"
02-26-76	"
02-27-76	"
03-01-76	"
03-02-76	" Motion to dismiss ct. 14(aka Snyder) is GRANTED.
03-03-76	"
03-04-76	" and concluded. Deft. found GUILTY on cts. 1 & 12. PS ordered. Sentence adj. to April 15,1976. Bail contd. Metzner,
03-11-76	Filed govts. affdt. and notice of motion re:whether same atty. c represent 2 separate attys.,ret. on: Oct. 14,1975 in Rm.36 at 10a
03-11-76	Filed defts. trial brief.
03-12-76	Filed defts. affdt. and notice ofmotion for acquittal of the ju verdict or for new trial,ret.on: date to be fixed by court.
4-5-76	Filed defts. affdt. and nocice of motion to amend and supplement their motion to set aside guilty verdict and enter judgment of acquittal.
4-6-76	[illegible] March 2, 3-4 1976
4-23-76	Filed JUDGMENT(atty. Wm. Schert,present)-- the deft. is hereby committed to the custody of the Atty. General or his authorized representative for imprisonment for a period of FOUR(4) MONTHS an fined the sum of $5,000 on ct. 1. The fine is to be paid or the is to stand committed until the fine is paid or he is otherwise discharged according to law. The imposition of sentence on ct. suspendedxx and the deft. is placed on probation for a period of T YEARS to commence upon expiration of confinement and subject to th standing probation order of this court. Cts. 2 through 11 inclusv are dismissed on motion of the defts. counsel with the consent of govt. Bail condtions are contd. until May 7, 1976 at which time th must file a notice of appeal or the deft. is to surrender to the U Marshal's office at the MCC at 150 Park Row,NY by noon. Metzner,J. (copies issued 3-28-76)
4-5-76	Filed transcript of record of proceedings dated Feb. 19,20,23,24,
4-6-76	Filed transcript of record of proceedings dated Feb. 25,26,27 an 1, 1976.
4-6-76	Filed transcript of record of proceedings dated Feb. 10,11,13,197 Feb. 17,18, 1976.

DATE	PROCEEDINGS
4-29-76	Filed govts. bill of particulars in response to court order of 1/12/76.
4-29-76	Filed govts. sentencing memorandum.
4-29-76	~~Filed govts. sentencing~~
4-29-76	Filed defts. pre sentence memorandum.
4-30-76	Filed defts. affdt. and notice of motion for reuduction of sentence, ret. on: May 5, 1976 at 10am.
5-6-76	Filed defts. notice of appeal to the USCA from the final judgment of April 23, 1976. copies mailed to AUSA and to deft. at 45 E.89St, NYC 100 Apt. 25-E

A TRUE COPY
RAYMOND F. BURGHARDT, Clerk
By: [signature]
Deputy Clerk

United States District Court for

United States of America vs.

SOUTHERN DISTRICT OF NEW YORK

DEFENDANT Stanley Schildinger a/k/a Stanley Snyder

DOCKET NO. 75 cr. 956

JUDGMENT AND PROBATION/COMMITMENT ORDER

In the presence of the attorney for the government the defendant appeared in person on this date — MONTH: April DAY: 23 YEAR: 1976

COUNSEL

[ ] WITHOUT COUNSEL However the court advised defendant of right to counsel and asked whether defendant desired to have counsel appointed by the court and the defendant thereupon waived assistance of counsel.

[X] WITH COUNSEL William C. Scherr, Esq. (Name of counsel)

PLEA

[ ] GUILTY, and the court being satisfied that there is a factual basis for the plea, [ ] NOLO CONTENDERE, [X] NOT GUILTY

FINDING & JUDGMENT

There being a finding/verdict of [ ] NOT GUILTY. Defendant is discharged [X] GUILTY.

Defendant has been convicted as charged of the offense(s) of unlawfully, wilfully and knowingly using the mails in a scheme and artifice to defraud. (Title 15, U.S.C. Sections 78j(b)and 78ff(a); (Title 18, U.S.C.,Sect.2.) and a conspiracy so to do. (Title 18, U.S.C., Section 371.)

as charged in counts (1) and (12)

SENTENCE OR PROBATION ORDER

The court asked whether defendant had anything to say why judgment should not be pronounced. Because no sufficient cause to the contrary was shown, or appeared to the court, the court adjudged the defendant guilty as charged and convicted and ordered that: The defendant is hereby committed to the custody of the Attorney General or his authorized representative for imprisonment for a period of FOUR(4)MONTHS and fined the sum of $5,000.00 on count (1). The fine is to be paid or the defendant is to stand committed until the fine is paid or he is otherwise discharged according to law. The imposition of sentence on count (12) is suspended and the defendant is placed on probation for a period of TWO(2)YEARS to commence upon expiration of confinement and subject to the standing probation order of this Court. Counts (2) through (11) inclusive are dismissed on motion of the defendant's counsel with the consent of the Government.

SPECIAL CONDITIONS OF PROBATION

Bail conditions are continued until May 7, 1976 at which time the defendant must file a notice of appeal or the defendant is to surrender to the U.S. Marshal's office at the Metropolitan Correctional Center at 150 Park Row, New Yoork, N.Y., by 12 noon.

ADDITIONAL CONDITIONS OF PROBATION

COMMITMENT RECOMMENDATION

[illegible]

[illegible] certified copy of this judgment and commitment to the U.S. Marshal [illegible]

APR 1976

SIGNATURE OF JUDGE [X] U.S. District Judge [ ] U.S. Magistrate

DATE April 23, 1976

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
----------x

UNITED STATES OF AMERICA,

Plaintiff,

-against-

EDWIN MENDLINGER, STANLEY SCHILDINGER, a/k/a Stanley Snyder, STUART SCHIFFMAN, BARRETT KOBRIN and BERNARD GRINDLINGER,

Defendants.
----------x

75 Cr.956

NOTICE OF MOTION

S I R S :

PLEASE TAKE NOTICE, that upon the annexed affidavits of William C. Sherr, sworn to the 24th day of October, 1975; Edwin Mendlinger, sworn to the 23rd day of October, 1975; and Stanley Schildinger a/k/a Stanley Snyder, sworn to the 22nd day of October, 1975, and upon all the prior proceedings heretofore had herein, the undersigned will move this Court before the Honorable Charles M. Metzner, United States District Judge, in Courtroom 2201, United States Courthouse, Foley Square, New York, New York, for the following relief:

(a) Dismissing the Indictment on the grounds that all counts alleged in the Indictment against the Defendants, EDWIN MENDLINGER

and STANLEY SCHILDINGER (a/k/a Stanley Snyder), are based on information obtained by the Government in violation of the Defendants' Fifth Amendment rights against self-incrimination. More particularly, examination of the Defendants by the United States Attorneys and by the Grand Jury was conducted without the Defendants having been apprised of their Miranda rights;

(b) Suppressing and prohibiting the Government's use as evidence any written or oral statements allegedly made by the Defendants when the Defendants appeared for an interview before the United States Attorney in March of 1972, which appearance was compelled by subpoena, and for examination before the Grand Jury, on the ground that such statements were obtained from the Defendants in violation of their Miranda rights;

(c) Permitting the Defendants to inspect the transcripts of the Minutes of the Grand Juries which returned the Indictment against them and before which they testified in April 1972, and the transcripts of their statements made at the office of the United States Attorney in March 1972, which appearance was compelled by subpoena, on the grounds that the Defendants have a right to review and inspect the Minutes of the Grand Jury before which they testified; and that the Defendants were not apprised of the fact that they were in reality the subject of the Government's investigation; and that any statements made by them could be held against them, as required by Miranda; and because

the Government has raised an issue as to whether the Defendants, EDWIN MENDLINGER and STANLEY SCHILDINGER (a/k/a Stanley Snyder) should be represented by separate counsel; and as more fully shown by the annexed affidavit of William C. Sherr;

(d) Pursuant to Rule 7(f) of the Federal Rules of Criminal Procedure directing the United States Attorney to serve and file a Bill of Particulars within the time fixed by the Court herein setting forth in detail certain requested particulars and making more definite, certain and specific each and every Count of the purported Indictment and the whole thereof presented against Defendants all of which is more particularly set forth in Exhibit "B" to the annexed affidavit, upon the grounds that the Indictment fails to contain a plain, concise and definite written statement of the essential facts and contains mere conclusions of law and without such particulars as to said matters Defendants cannot adequately and properly prepare their defense for trial, could not avoid possible prejudicial surprise at the trial, the issues would not be clarified and confusion and delay at the trial avoided and Defendants would not be protected against a second prosecution for the same offense;

(e) Pursuant to Rule 16(b) of the Federal Rules of Criminal

Procedure requiring the United States Attorney to bring to Defendants' attention and to produce and permit Defendants to inspect and copy or photograph any and all books, papers, documents, letters, tangible objects or portions or copies thereof and evidence or information of any kind more specifically set forth in Exhibit "C" to the annexed affidavit which are within the possession, custody and/or control of the Government or which it may intend to obtain and imposing upon it a continuous duty to disclose upon the grounds that said information constitutes and contains evidence relevant, necessary and material to the preparation of Defendants' defense and that this request is essential and reasonable and would not be oppressive to the Government but would expedite the trial herein and facilitate a fair, efficient and just disposition of the charges against the Defendants;

(f) Pursuant to Rule 16 of the Federal Rules of Criminal Procedure compelling the United States Attorney to disclose, and in the case of a tangible item, to produce for inspection and copying by Defendants, all evidence and information in the possession, custody and/or control of the United States, or others, which may be favorable to Defendants and material to the issue of guilt or punishment, or could reasonably weaken or effect any evidence proposed to be introduced by the United States, or is relevant to the subject matter of the Indictment herein or in any manner may aid Defendants in the ascertain-

ment of the truth and preparation of their defense, the disclosure and production to be made without regard to whether the evidence to be disclosed and produced is deemed admissible or will be sought to be admitted at the trial herein, said disclosure and production of which is more fully set forth in Paragraph 7. of Exhibit "C" to the affidavit annexed hereto upon the ground that failure to so disclose and produce would represent a constitutional deprivation of due process and other rights of Defendants;

(g) Pursuant to Rules 16(a)(b) and 6(e) of the Federal Rules of Criminal Procedure directing the United States Attorney to produce for Defendants' inspection and copying or photographing the minutes and exhibits of the Grand Jury on which the Indictment herein is based, the recorded testimony of every witness including the Defendants who testified before the said Grand Jury, written or recorded statements or confessions made by the Defendants or others relevant herein, or copies thereof, within the possession, custody and/or control of the Government or others, the existence of which is known, or by the exercise of due diligence may become known to the Government and the results or reports of physical or mental examinations, and of scientific tests or experiments made in connection with this case, or copies thereof, within the possession, custody and/or control of the

government or others, the existence of which is known, or by the exercise of due diligence may become known, to the Government, all of which is more fully set forth in Paragraphs 1, 2 and 5 of Exhibit "C" to the annexed affidavit upon the grounds that the Federal Rules of Criminal Procedure entitles Defendants to so inspect and copy said matters as to Defendants' alleged conduct for which the Government seeks to hold Defendants criminally liable, the materiality of said matters is unquestionable and the Government can produce same with little inconvenience to it; and

(h) For such other and further relief as to the Court may seem just and proper in the premises.

Dated: New York, N.Y.
October 24, 1975

Yours, etc.

BANDLER & KASS

BY: _____
William C. Sherr
(A Member of the Firm)
Attorneys for Defendants
EDWIN MENDLINGER AND
STANLEY SCHILDINGER (a/k/a
Stanley Snyder)
Office & P. O. Address
605 Third Avenue
New York, N.Y. 10016
(212) 972-1100

TO: PAUL J. CURRAN, ESQ.
United States Attorney
Southern District of New York
United States Courthouse
Foley Square
New York, N.Y.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- -X

UNITED STATES OF AMERICA,

Plaintiff,

- against -

EDWIN MENDLINGER, STANELY SCHILDINGER, a/k/a Stanley Snyder, STUART SCHIFFMAN, BARRETT KOBRIN and BERNARD GRINDLINGER,

Defendants.

- -X

75 Cr. 956

AFFIDAVIT

STATE OF NEW YORK)
ss.:
COUNTY OF NEW YORK)

William C. Sherr, being duly sworn, deposes and says:

1. I am a member of the firm of Bandler & Kass, Esqs., attorneys for Defendants, EDWIN MENDLINGER and STANLEY SCHILDINGER (a/k/a Stanley Snyder) and make this affidavit in support of Defendants' request for certain forms of relief as more fully set forth herein.

2. Defendants have heretofore been indicted by a United States Grand Jury in an Indictment, a true copy of which is annexed hereto and made a part hereof as Exhibit "A" and need not be

detailed herein.

MOTION TO DISMISS THE INDICTMENT

3. The Defendants were indicted after having appeared before the United States Attorney in March 1972 and before the Grand Jury in April 1972, which appearances were compelled by subpoena. At no time were the Defendants advised that they were subjects of the United States Attorney's investigations and were, in fact, lead to believe that they were not under investigation. The Defendants were not advised that any statements they made could be held against them, as required by Miranda, and as more fully explained in Defendants' Memorandum of Law submitted herewith. Therefore, the Defendants' constitutional rights were violated and the Indictment should be dismissed.

MOTION TO SUPPRESS EVIDENCE

4. For the reasons stated in Paragraph 3., supra, any statements made by the Defendants on either of the occasions mentioned in Paragraph 3. should be suppressed because they were obtained in violation of the Defendants' constitutional rights, as more fully set forth in Defendants' Memorandum of Law submitted herewith.

MOTION TO INSPECT GRAND JURY MINUTES

5. Because of the reasons set forth in Paragraph 3., supra, and because a defendant is generally allowed as a matter of right to inspect the Grand Jury's Minutes, before which he appeared and which returned the indictment against him, the Defendants should be allowed to inspect the minutes of the Grand Jury before which they appeared in 1972 and which returned the Indictment herein. Furthermore, the United States Attorney has previously brought a motion to have the Defendants, EDWIN MENDLINGER and STANLEY SCHILDINGER (a/k/a Stanley Snyder), be represented by separate counsel. This motion was denied on October 14, 1975. It is your affiant's belief that such an action would not be necessary, but perhaps an examination of the Grand Jury's Minutes and of the Defendants' statements to the United States Attorney would change my position on this matter. I also direct the Court's attention to the Defendants' Memorandum of Law submitted herewith for precedent and for a more full statement of this position.

MOTION FOR BILL OF PARTICULARS

6. Annexed hereto and made part hereof as Exhibit "B" is a true copy of Defendants' proposed Demand for Bill of Particulars pursuant to Rule 7(f) of the Federal Rules of Criminal Procedure.

7. As the Defendants' Memorandum of Law submitted in support of this motion clearly indicates in detail, Defendants are

unquestionably entitled to this Bill of Particulars requiring the Government to set forth in detail certain requested particulars and make more definite, certain and specific each and every Count of the purported Indictment presented against Defendants, since the Indictment fails to contain a plain, concise and definite written statement of the essential facts and contains mere conclusions of law.

8. Unquestionably, without such particulars as to said matters requested, Defendants cannot adequately and properly prepare their defense for trial, could not avoid possible prejudicial surprise at the trial, the issues would not be clarified and confusion and delay at the trial avoided and Defendants would not be protected against a second prosecution for the same offense.

MOTION FOR DISCOVERY AND INSPECTION

9. Annexed hereto and made part hereof as Exhibit "C" is a true copy of Defendants' proposed Notice for Discovery and Inspection pursuant to Rule 16 of the Federal Rules of Criminal Procedure.

10. As clearly indicated in the Defendants' Memorandum of Law submitted in support of this motion, Defendants are entitled to have the Government bring to their attention and produce and permit them to inspect and copy or photograph the requested books, papers,

documents, letters, tangible objects and other items, all of which are within the Government's possession, custody and/or control or which it may intend to obtain and impose upon it a continuous duty to disclose.

11. Each of the requested items is relevant, necessary, material, vital and essential to Defendants' preparation of a proper defense and their investigation of this matter and the request is clearly reasonable, would not be oppressive to the Government and would expedite the trial herein and facilitate a fair, efficient and just disposition of the charges against Defendants. Unless these items are produced, Defendants will be deprived of their right to a fair and just trial.

12. The Government has been assembling and examining information and material relevant to the allegations in the pending Indictment for a long period of time with the aid of judicial process. Defendants cannot properly prepare to meet the Government's case without an opportunity to consider the requested material, evidence and information before trial, all of which is readily available to the Government or already in its possession and can be produced with a minimum of delay and inconvenience. This discovery can hardly be detrimental to the Government's case, for it has more powers of discovery than Defendants and the relief requested is necessary and

essential to prevent any perversion of criminal justice.

MOTION FOR DISCOVERY OF EXCULPATORY MATERIAL

13. Paragraph number 7. of Defendants' Notice for Discovery and Inspection (Exhibit "C" hereto) seeks disclosure and production for inspection and copying pursuant to Rule 16 of the Federal Rules of Criminal Procedure, certain evidence and information in the possession, custody and/or control of the United States or others which tends to exculpate or exonerate or is favorable to Defendants and material to the issue of guilt or punishment or could weaken or effect any evidence proposed to be introduced by the United States or its witnesses and its case or is relevant to the subject matter of the Indictment herein or in any manner may aid Defendants in the ascertainment of the truth and preparation of their defense without regard to whether the evidence to be disclosed and produced is deemed admissible or will be sought to be admitted at the trial herein.

14. The failure to disclose and produce said information and evidence and the suppression thereof would represent a constitutional deprivation of due process and other rights of Defendants, all of which is more fully set forth in the Memorandum of Law submitted in support of this motion.

15. It is impossible to be more specific in describing the

requested information and evidence or even to assert positively its existence but rather this request recognizes the greater scope of investigatory powers and procedures of the Government and seeks to benefit from then as a presumed innocent party ought to while at the same time it prevents a misuse of those broad powers for the mere purpose of securing a conviction. This motion should clearly be granted at this time in order to permit further investigation where necessary to protect fully the rights of the Defendants.

SUMMATION

16. All the information requested is essential and necessary for two reasons. The first is that without this information, it will be impossible for Defendants to adequately prepare as a practical matter any defense since Defendants are faced with a broadly and vaguely stated Indictment. Defendants are not in any way seeking the Government's case nor its evidence and there can be no prejudice to the Government to disclose and produce the requested information except to the extent its position may be untenable and unjust. The second reason is that the disclosed and produced information will be the basis for Defendants' possible future motions to dismiss the Indictment if the information so warrants such a motion.

17. This motion is made in good faith and not for the purpose

of delay and is well within the bounds of sound discretion for this Court to grant. What is being sought is the substance of the crime charged, not the evidence by which it may be proved, and the requested information appears to be the very minimum required to serve the function and purpose of fairly informing Defendants, narrowing the issues at trial, permitting Defendants' counsel to properly prepare their defense and perfecting the record so as to bar subsequent prosecution without there being any prejudice or undue oppression to the Government. It should, therefore, be granted in all respects.

WHEREFORE, it is respectfully requested that Defendants' motions be granted in all respects.

William C. Sherr

Sworn to before me this
24th day of October, 1975.

Notary Public
Qualified in
Commission Expires

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
----------x

UNITED STATES OF AMERICA,

PLAINTIFF,

-v-

AFFIDAVIT

EDWIN MENDLINGER,
STANLEY SCHILDINGER,
a/k/a Stanley Snyder,
STUART SCHIFFMAN,
BARRETT KOBRIN and
BERNARD GRINDLINGER,

75 Cr. 956

DEFENDANTS
----------x

STATE OF NEW YORK)
SS.:
COUNTY OF NEW YORK)

EDWIN MENDLINGER, being duly sworn, deposes and says:

1. I am a defendant in the above captioned matter and was indicted by a United States Grand Jury for charges of tax fraud, securities fraud and mail fraud.

2. In March of 1972 I was subpoenaed to appear at the office of the United States Attorney and I did appear before Assistant United States Attorney Sullivan. At this time Assistant United States Attorney

Sullivan caused me to believe that my activities were not the object of the investigation he was conducting. He asked for my cooperation and I gave it.

3. In April of 1972 I was subpoenaed by Assistant United States Attorney Sullivan to appear before a United States Grand Jury and I did appear before it. Prior to making my appearance my attorney at that time, Robert Aram, Esq., had a conversation with Assistant United States Attorney Sullivan during which Assistant United States Attorney Sullivan advised Mr. Aram that my activities were not the object of his investigation. Mr. Aram related these facts to me and I entered the Grand Jury room under the assumption that I was cooperating with the government in their investigation of the activities of other persons. Immediately upon entering the Grand Jury room I was advised that my own activities were the target of the government's investigation. Having been mislead by Assistant United States Attorney Sullivan my answers before the Grand Jury were given in a completely flustered state.

4. At no time during either my appearance before Assistant United States Attorney Sullivan or before the Grand Jury was I advised of my constitutional rights such as my right to remain silent. My present attorneys have advised me that this failure to advise me of my

constitutional rights and the affirmative action that Assistant United States Attorney Sullivan took in deceiving me as to my involvment in the investigation are defects of constitutional dimension in that they violated my due process rights.

4. My attorneys have advised me that because of the above mentioned violations of my constitutional rights the indictment against me should be dismissed and I hope the Court will take appropriate action in this regard.

EDWIN MENDLINGER

Sworn to before me

this 23rd day of October, 1975.

[illegible]

[illegible] ANNE BURKE

[illegible] State of New York

[illegible]

[illegible] New York County

Commission Expires March 30, 1976

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
----------x

UNITED STATES OF AMERICA,
Plaintiff,
-v-

EDWIN MENDLINGER,
STANLEY SCHILDINGER,
a/k/a Stanley Snyder,
STUART SCHIFFMAN,
BARRETT KOBRIN and
BERNARD GRINDLINGER,

Defendants.
----------x

75 Cr. 956

AFFIDAVIT

STATE OF NEW YORK)
SS.:
COUNTY OF NEW YORK)

STANLEY SCHILDINGER, a/k/a Stanley Snyder, being duly sworn, deposes and says:

1. I am a defendant in the above captioned matter and was indicted by a United States Grand Jury for charges of tax fraud, securities fraud and mail fraud.

2. In March of 1972 I was subpoenaed to appear at the office of the United States Attorney and I did appear before Assistant United States Attorney Sullivan. At this time Assistant United States Attorney

Sullivan caused me to believe that my activities were not the object of the investigation he was conducting. He asked for my cooperation and I gave it.

3. In April of 1972 I was subpoenaed by Assistant United States Attorney Sullivan to appear before a United States Grand Jury and I did appear before it. Prior to making my appearance my attorney at that time, Robert Aram, Esq., had a conversation with Assistant United States Attorney Sullivan during which Assistant United States Attorney Sullivan advised Mr. Aram that my activities were not the object of his investigation. Mr. Aram related these facts to me and I entered the Grand Jury room under the assumption that I was cooperating with the government in their investigation of the activities of other persons. Immediately upon entering the Grand Jury room I was advised that my own activities were the target of the government's investigation. Having been mislead by Assistant United States Attorney Sullivan my answers before the Grand Jury were given in a completely flustered state.

4. At no time during either my appearance before Assistant United States Attorney Sullivan or before the Grand Jury was I advised of my constitutional rights such as my right to remain silent. My present attorneys have advised me that this failure to advise me of my

constitutional rights and the affirmative action that Assistant United States Attorney Sullivan took in deceiving me as to my involvment in the investigation are defects of constitutional dimension in that they violated my due process rights.

4. My attorneys have advised me that because of the above mentioned violations of my constitutional rights the indictment against me should be dismissed and I hope the Court will take appropriate action in this regard.

Stanley Schildinger

STANLEY SCHILDINGER
a/k/a Stanley Snyder

Stanley Snyder

Sworn to before me

this 22 day of October, 1975.

Arline D. Baker

ARLINE D. BAKER
NOTARY PUBLIC, State of New York
No. 31-4524783
Qualified in New York County
Commission Expires March 30, 1976

INDICTMENT

EXHIBIT "A"

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- -x

UNITED STATES OF AMERICA :

- v - : INDICTMENT

EDWIN HENDLINGER, : 73 Cr. 786
STANLEY SCHILDINGER,
a/k/a Stanley Snyder,
STUART SCHUTTIAN,
BARNETT KORIN and
BERNARD GRINDLINGER,

Defendants.

- -x

COUNT ONE

The Grand Jury charges:

INTRODUCTION

1. At all times material to this Indictment, EDWIN HENDLINGER ("HENDLINGER") and STANLEY SCHILDINGER ("SCHILDINGER"), a/k/a Stanley Snyder, the defendants, were registered representatives at Hendlinger, Snyder, Inc., a New York broker-dealer. At all times material to this indictment, Hendlinger, Snyder, Inc. ("H-S"), a co-conspirator, was a New York broker-dealer registered with the United States Securities and Exchange Commission and located at 50 Broadway, New York, New York.

2. At all times material to this indictment, BELAIR FINANCIAL CORPORATION ("BELAIR") was a publicly held corporation with headquarters at 9465 Wilshire Boulevard, Beverly Hills, California. Prior to February 1971, the corporate name of BELAIR had been Transition Systems, Inc. For the year, ended September 30, 1970, BELAIR sustained a loss of $36,725 (that is, a loss of approximately $0.13 per share of common stock).

3. At all times material to this indictment, Kelly Andrews and Bradley ("Kelly Andrews"), a co-conspirator, was a New York broker-dealer registered with the United States Securities and Exchange Commission. STUART SCHIFFMAN ("SCHIFFMAN"), the defendant, was president of Kelly Andrews, and Perry Scheer ("Scheer"), a co-conspirator, was a registered representative employed by Kelly Andrews.

4. At all times material to this indictment, BARRETT KOBRIN ("KOBRIN"), the defendant, was a registered representative at Halle & Stieglitz, a New York broker-dealer, who was employed at the office of Halle & Stieglitz in Maplewood, New Jersey.

5. At all times material to this indictment, BERNARD GRINDLINGER ("GRINDLINGER"), the defendant, was a registered representative employed at the York, Pennsylvania office of Suplee-Mosley Inc., a Philadelphia broker-dealer.

6. As of December 1, 1970, the price of BELAIR was less than $1.00 bid per share. As of April 30, 1971, the price of BELAIR was approximately $14.00 bid per share. By June 30, 1971, the price of BELAIR had fallen to approximately $5.00 bid per share. As of February 1972, the price of BELAIR was approximately $1.00 bid per share.

I. THE CONSPIRACY

7. From on or about September 1, 1970, up to and including May 1, 1974, in the Southern District of New York and elsewhere, MENDLINGER, SCHILDINGER, SCHIFFMAN, KOBRIN and GRINDLINGER, the defendants, and H-S, Kelly Andrews, Scheer, Akiyoshi Yamada, Nathan Hager, Stanley Peltz, and Martin Messinger, named herein as co-conspirators but not as defendants, and others to the Grand Jury known and unknown, unlawfully, wilfully and knowingly, did combine, conspire, confederate and agree together and with each other, to commit violations of federal law, to wit, violations of Title 15, United States Code, Sections 77q, 77x, 78j(b) and 78ff, and Title 18, United States Code, Section 1341.

II. THE OBJECT OF THE CONSPIRACY

8. The object of the conspiracy was (i) to gain control of the market for the shares of BELAIR, (ii) to manipulate the price of the BELAIR shares through artificial and rigged trading, secret kickbacks and pay-offs to brokers and others, and other means, (iii) to drive up the price of BELAIR common stock from approximately $1.00 per share to approximately $15.00 per share, (iv) to conceal these manipulative activities, and (v) to unload many thousands of shares of BELAIR common stock on the unsuspecting public, at greatly inflated prices, at a cost to the public of many hundreds of thousands of dollars.

III. THE MEANS BY WHICH THE CONSPIRACY WAS CARRIED OUT

9. Among the means by which the defendants and their co-conspirators would and did carry out the said conspiracy were the following:

(a) Between in or about December 1970 and July, 1971, HENDLINGER, SCHILDINGER, SCHIFFMAN, KOBRIN and GRINDLINGER, the defendants, and their co-conspirators, for the purpose of causing the price of BELAIR common stock to rise in the open market, caused accounts over which they exercised control or in which they had a beneficial interest to purchase and sell said stock so as to (1) restrict the available supply of said stock to the investing public and (2) create the appearance of market activity and demand in said stock.

(b) In or about December 1970 or January 1971, HENDLINGER, SCHILDINGER and SCHIFFMAN, the defendants, arranged with co-conspirator Scheer and Kelly Andrews for co-conspirator Kelly Andrews to trade BELAIR common stock as directed for the account of Kelly Andrews, on the condition that the defendants pay secret compensation to SCHIFFMAN and

to co-conspirators Kelly Andrews and Scheer and to persons whom they selected, which ultimately amounted to approximately $125,000.

(c) Between in or about January 1971 and July 1971, the defendants and their co-conspirators would and did, directly and indirectly, arrange for brokers, including H-S, Kelly Andrews, Suplee-Moseley and Halle & Stieglitz, to purchase and sell blocks of BELAIR common stock in furtherance of the manipulative scheme.

(d) As a result of their manipulative activities, the defendants and their co-conspirators caused the price of BELAIR common stock to rise from less than $1 bid per share in or about December 1, 1970 to approximately $14 bid per share on April 30, 1971. Shortly thereafter in June 1971, the price of BELAIR common stock fell to $5 bid per share.

(e) In accordance with the arrangements described in paragraph (b) above, MENDLINGER and SCHILDINGER, the defendants, and co-conspirator H-S paid to defendants SCHIFFMAN and GRINDLINGER and to co-conspirators Kelly Andrews, Scheer, Stanley Peltz, Martin Messinger, Akiyoshi Yamada, and various charitable organizations approximately $125,000 in secret compensation.

(f) In accordance with the arrangements described above, a secret kickback arrangement was worked out whereby in May 1971 defendants MENDLINGER and SCHILDINGER issued and caused the issuance of $100,000 in checks drawn on the account of co-conspirator H-S which were payable to the charitable institutions referred to in sub-paragraphs 7-10 of the OVERT ACTS referred to herein. In furtherance of this secret kickback arrangement, persons affiliated with, or connected with, the said charitable institutions, upon receiving the $100,000 in checks, delivered approximately

$90,000, principally in cash, to co-conspirators Arthur Bayer and Stanley Feltz which they, in turn, delivered to defendant SCHIFFMAN and to co-conspirators Scheer, Kelly Andrews and Akiyoshi Yamada. As part of this secret kick-back arrangement, the aforesaid charitable institutions retained 10% (that is, $10,000) of the $100,000 in checks drawn on M-S as a result of these charitable institutions having acted as a conduit in causing the aforesaid proceeds to be distributed to defendant SCHIFFMAN and to co-conspirators Scheer and Akiyoshi Yamada and to others.

IV. OVERT ACTS

10. In furtherance of said conspiracy, and to effect the objects thereof, from in or about December 1970 through July 1971, the defendants and co-conspirators committed the following overt acts, among others, in the Southern District of New York, and elsewhere:

1. In or about January 1971, defendant SCHILDINGER was introduced by co-conspirator Scheer to defendant SCHIFFMAN in New York, New York.

2. In or about late January 1971, defendants SCHILDINGER and SCHIFFMAN took an airplane trip from New York to California and defendants SCHILDINGER and SCHIFFMAN discussed having Kelly Andrews supply buying power and buyers for the BELAIR stock.

3. In or about February 1971, defendants HELDLINGER, SCHILDINGER and SCHIFFMAN and co-conspirator Scheer met together in New York, New York and discussed the compensation that defendant SCHIFFMAN and co-conspirator Scheer would receive for supplying buying power.

4. As part of the secret kickback arrangement, on or about March 25, 1971, defendant MEINDLINGER issued a check in the amount of $8,000 drawn on the account of M-S payable to Lewis Markowitz, Esq.

5. On or about March 25, 1971, the check in the amount of $8,000 payable to Lewis Markowitz, Esq. was delivered to defendant GRINDLINGER.

6. As part of the secret kickback arrangement, on or about May 11, 1971, defendant SCHILDINGER issued a check in the amount of $25,000 drawn on the account of M-S, payable to co-conspirator Martin Messinger.

7. As part of the secret kickback arrangement, on or about May 10, 1971, defendant MEINDLINGER issued the following checks drawn on the account of M-S:

(i) a check in the amount of $20,000 payable to the order of Yeshivat Beth Shearim;

(ii) a check in the amount of $20,000 payable to the order of Congregation Bais Avrohom; and

(iii) a check in the amount of $20,000 payable to the order of Harbeatne Torah Institute.

8. As part of the secret kickback arrangement, on or about May 11, 1971, defendant MEINDLINGER issued the following checks drawn on the account of M-S:

(i) a check in the amount of $10,000 payable to Chevre Lidy Husach Hoary; and

(ii) a check in the amount of $10,000 payable to Congregation Beth Samuel.

9. As part of the secret kickback arrangement, on or about May 12, 1971, defendant MEINDLINGER issued a check in the amount of $10,000 payable to American Friends N.E.H.C.

10. As part of the secret kickback arrangement, on or about May 17, 1971, defendant SEIDLINGER issued a check in the amount of $10,000 payable to Yeshiva Lemetzuyanim.

Each of the mailings alleged in Counts 2 through 11 are repeated and realleged herein as overt acts as if fully set forth herein.

V. STATUTORY ALLEGATIONS

11. It was part of said conspiracy that the defendants and their co-conspirators unlawfully, wilfully and knowingly, in the offer and sale of securities of BELAIR, by the use of means and instruments of transportation and communication in interstate and foreign commerce and by use of the mails would, directly and indirectly, (a) employ devices, schemes and artifices to defraud, (b) obtain money and property by means of untrue statements of material facts and omissions to state facts necessary to be stated in order to make the statements made, in the light of the circumstances under which they were made, not misleading, and (c) engage in transactions, practices and courses of business which would and did operate as a fraud and deceit upon purchasers of securities of BELAIR in violation of Title 15, United States Code, Sections 77q and 77x.

12. It was further a part of said conspiracy that the defendants and their co-conspirators unlawfully, wilfully and knowingly would devise a scheme and artifice to defraud and for obtaining money or property by means of false and fraudulent pretenses, representations and promises and for the purpose of executing such scheme and artifice and attempting to do so would knowingly cause mail matter to be delivered according to the direction thereon in violation of Title 18, United States Code, Section 1341.

13. It was further a part of said conspiracy that the defendants and their co-conspirators unlawfully, wilfully and knowingly, directly and indirectly, by the use of means and instrumentalities of interstate commerce and of the mails, would use and employ a manipulative and deceptive device and contrivance in contravention of Rule 10(b)5 (17 C.F.R. 240.10b-5), a rule prescribed by the Securities and Exchange Commission as necessary or appropriate in the public interest or for the protection of investors.

COUNTS TWO THROUGH ELEVEN

The Grand Jury further charges:

1. From on or about December 1, 1970 to on or about July 1, 1971, in the Southern District of New York and elsewhere, the defendants HEMMLINGER, SCHLOSINGER, KOERLIN and GRIMMINGER, unlawfully, wilfully and knowingly did devise and intend to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations and promises.

2. The allegations contained in paragraphs 1-13 of Count One of this Indictment are repeated and realleged as though fully set forth herein, as constituting and describing the means by which said defendants committed the offenses charged in Counts Two through Eleven.

3. On or about the dates hereinafter set forth, in the Southern District of New York, the said defendants, for the purpose of executing the scheme and artifice alleged in paragraph 1 of Counts 2 through 11 and attempting so to do, unlawfully, wilfully and knowingly, placed, caused others to place and caused to be placed, in post offices and authorized depositories for mail matter and caused to be delivered by mail according to the direction thereon mail matter to be [illegible]

Count	Approximate Date	Addressee	Matter
2	April 14, 1971	Mr. Harvey F. Guerin 105 Fairmount Avenue Chester, N.J. 07930	Confirmation for 500 shares of BELAIR common stock. (10 confirmations)
3	April 15, 1971	Mr. Harvey F. Guerin 105 Fairmount Ave. Chester, N.J. 07930	Confirmation for 2000 shares of BELAIR common stock (4 confirmations)
4	April 22, 1971	Mr. Harvey F. Guerin 105 Fairmount Ave. Chester, N.J. 07930	Confirmation for 1500 shares of BELAIR common stock
5	April 29, 1971	Mrs. Frances Maiorca as Cust. for Nancy Maiorca 1 Stuyvesant Oval New York, N.Y. 10009	Confirmation for 100 shares of BELAIR common stock
6	April 30, 1971	Mendlinger, Snyder, Inc. 50 Broadway New York, N. Y. 10004	Confirmation for 20,000 shares of BELAIR common stock
7	April 30, 1971	Mendlinger, Snyder, Inc. 50 Broadway New York, N. Y. 10004	Confirmation for 20,000 shares of BELAIR common stock
8	April 30, 1971	Jack Pomerantz Winthrop Road Short Hills, N.J. 07078	Confirmation for 500 shares of BELAIR common stock
9	April 30, 1971	Mr. Milton Colby 71 Woodland Ave. West Orange, N. J. 07052	Confirmation for 200 shares of BELAIR common stock
10	April 30, 1971	Mr. Harvey F. Guerin Chester, N.J. 07930	Confirmation for 1500 shares of BELAIR common stock
11	June 11, 1971	Mrs. Dorothea L. Johnson 270 Ridge Road Rutherford, N.J. 07070	Confirmation for 250 shares of BELAIR common stock

(Title 18, United States Code, Section 1341.)

COUNT TWELVE

The Grand Jury further charges:

1. From on or about December 1970, to on or about July, 1971, in the Southern District of New York and elsewhere, the defendants MENDLINGER, SCHILDKRET, KOELN and GRUNDLINGER,

in connection with the purchase and sale of securities, to wit, common stock of BELAIR, did unlawfully, wilfully and knowingly, directly and indirectly and by use of means and instrumentalities of interstate commerce and the mails (1) employ a device, scheme and artifice to defraud, (2) make untrue statements of material facts and omit to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and (3) engage in acts, practices and courses of business which operated as a fraud and deceit upon purchasers of BELAIR common stock.

2. The allegations contained in paragraphs 1 - 13 of Count One of this Indictment, concerning the manipulation and sale of BELAIR common stock, are repeated and realleged as though fully set forth herein, as constituting the means by which the defendants committed the offense charged in this count.

(Title 15, United States Code, Sections 78j(b) and 78ff(a); 17 C.F.R. 240.10b-5; Title 18, United States Code, Section 2.)

COUNT THIRTEEN

The Grand Jury further charges:

On or about the 15th day of November 1971, in the Southern District of New York, the defendant HEIDLINGER, unlawfully, wilfully and knowingly did make and cause to be made, and did subscribe, the U.S. Corporation Income Tax Return, Form 1120, for M-S for the fiscal year ending August 31, 1971, filed with the Internal Revenue Service, which contained and was verified by a written declaration that it was made under the penalties of perjury and which he did not believe to be true and correct as to every material matter, in that on Line 23, the advertising expense was reported to be $100,000; and on the schedule with respect to Line 26,

the legal and accounting expense was reported to be $8,000 and the consulting expense was reported to be $25,000, whereas, as he then and there well knew and believed, the deductions for the above-stated purposes were false and fictitious.

(Title 26, United States Code, Section 7206(1) and Title 18, United States Code, Section 2.)

COUNT FOURTEEN

The Grand Jury further charges:

On or about the 15th day of November 1971, in the Southern District of New York, the defendant SCHILDKRAUT, unlawfully, wilfully and knowingly did aid, assist in, procure, counsel and advise the preparation and presentation under and in connection with a matter arising under, the Internal Revenue Laws, of a return to wit the preparation and presentation of the U.S. Corporation Income Tax Return, Form 1120, for H-S for the fiscal year ending August 31, 1971, filed with the Internal Revenue Service, which was false and fraudulent as to material matters set forth therein in that on Line 23, the advertising expense was reported to be $100,000; and on the schedule with respect to Line 26, the legal and accounting expense was reported to be $8,000 and the consulting expense was reported to be $25,000, whereas, as he then and there well knew and believed, the deductions for the above-stated purposes were false and fictitious.

(Title 26, United States Code, Section 7206(2))

COUNTS FIFTEEN THROUGH EIGHTEEN

The Grand Jury further charges:

1. On or about the 5th day of September, 1975, in the Southern District of New York, defendant LORIA, having duly taken an oath as a witness that he would testify truly

before the April Special Grand Jury of the United States of America, duly impaneled and sworn in the United States District Court for the Southern District of New York, and inquiring for that District did unlawfully, wilfully and knowingly and contrary to said oath make false material declarations.

2. At the time and place aforesaid, the Grand Jurors, inquiring as aforesaid, were conducting an investigation pertaining to possible violations of United States laws prohibiting conspiracy (Title 18, United States Code, Section 371), securities fraud (Title 15, United States Code, Sections 77q and 78j(b)), and mail fraud (Title 18, United States Code, Section 1341), among other things.

3. It was material to said inquiry to ascertain when defendant KOBRIN received certain financial information about BELAIR common stock, whether he had any discussions concerning manipulative activities involving BELAIR common stock or concerning kick-backs or payoffs for promoting the sale of BELAIR common stock and whether defendant KOBRIN met co-conspirator Nathan Hager.

4. At the time and place aforesaid, the defendant KOBRIN appearing as a witness under oath before said Grand Jury, did testify falsely with respect to the aforesaid material matters as follows:

COUNT FIFTEEN

Q. Do you recall in that discussion having discussions with Scheer to the effect that by reason of manipulation of stock prices it was Mr. Scheer's view that the stock would go up?

A. I don't know anything about manipulation of stock prices and they are against the law.

Q. I am asking you, did you have a discussion along those lines?

A. Not at all. If that was his intention it was not made clear to me.

Q. Do you recall having a discussion at or about that time, namely when you revealed the plight of the customers to Mr. Scheer, having discussions with Mr. Scheer and Mr. Nathan Hagar, Mr. Hagar or Mr. Scheer discussed the possibility of purchasing shares for your customer so as to average them out and by reason of various activity the stock would go up again so that your customers would make a profit?

A. You mentioned Mr. Hagar. As I said, the name does not ring a bell. Maybe if I could just take time out and show the price movement of the --

Q. I would like you to answer it. You are saying you never had a discussion like that with Mr. Scheer?

A. See, I was not a market maker.

Q. I would like you to answer the question.

The question is: Did you have a discussion with Mr. Scheer, first to the effect that after your customers had suffered losses by reason of the stock dropping precipitously, you had discussions with Mr. Scheer to the effect that he had alerted you to the possibility of the price of stock might be moved up again by various trading activity?

A. I can't recall conversations like that.

COURT SIXTEEN

Q. Did you ever tell Mr. Guerin, Mr. Pomerance or any of the people for whom you bought Belair Financial common

stock that various people were being offered and receiving paid kickbacks to promote the sale of Belair Financial stock?

A. Mr. Schatten, as I --

Q. Would you answer the question, yes or no.

A. I knew of no payoffs, kickbacks or anything.

COUNT SEVENTEEN

Q. Let me show you a document dated -- undated. It says "Two Dean Drive, Tenafly, New Jersey, Redstone Securities Corporation, Belair Financial Corporation, current price-60TC."

MR. SCHATTEN: I would like to mark this as Grand Jury Exhibit 13-A as of this date.

(So marked.)

Q. This is the report that you are referring to?

A. Yes. This is the report. As you can see, it's a large envelope and I had a batch of these which were sent to me. I had an initial one prior to any purchasing of stock and I had received this supply after directly from Redstone Securities.

Q. How many days prior to receiving these financial reports did you get the first such report?

A. I am sorry?

Q. Is it your testimony that you, with respect to Grand Jury Exhibit 13-A, what was the first time that you had occasion to see that document?

A. The first time I saw a report?

Q. That particular document.

A. Right, but there are a number of copies of the same document. The first time I saw this, a copy of this and these particular President's reports was prior to my purchasing this stock in my customers' accounts. I made copies, I sent them out to all the people who I felt should be buying stock and then received a supply thereafter.

COUNT EIGHTEEN:

Q. Are you acquainted with a gentleman named Nathan Nagar?

A. No.

Q. Never heard the name?

A. No.

Q. Never met him? Mr. Nathan Nagar?

A. No. I don't recall the name at all.

Q. Ever introduced to Mr. Nagar through Mr. Perry Scheer?

A. I don't recall.

5. The aforesaid testimony of defendant KOBRIN in Counts Fifteen through Eighteen as he then and there well knew, was untrue.

* * * * *

(Title 18, United States Code, Section 1623.)

Foreman

PAUL J. CURRAN
United States Attorney

DEMAND FOR BILL OF PARTICULARS

EXHIBIT "B"

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- -X

UNITED STATES OF AMERICA,

Plaintiff,

- against -

EDWIN MENDLINGER, STANLEY SCHILDINGER, a/k/a Stanley Snyder, STUART SCHIFFMAN, BARNETT KOBRIN and BERNARD GRIESINGER,

Defendants.

- -X

75 Cr. 956

DEMAND FOR BILL OF PARTICULARS

S I R S:

PLEASE TAKE NOTICE, that you are required to serve upon the undersigned the following particulars of Plaintiff's alleged indictment:

AS TO COUNT ONE

1. Any overt acts not enumerated in the Indictment concerning which acts the Government intends to offer evidence upon the trial of the Indictment herein.

2. State how Transition Systems, Inc. came to be known as Belair Financial Corporation ("Belair").

3. State the duties and responsibilities of STUART SCHIFFMAN ("Schiffman"), a Defendant herein, and PERRY SCHEER ("Scheer"), a Co-conspirator herein, as employee and/or officers of Kelly Andrews and Bradley ("Kelly Andrews").

4. State the duties and responsibilities of BARRETT KOBRIN ("Kobrin"), a Defendant herein, as an employee and/or officer of Halle & Stieglitz ("Halle").

5. State the duties and responsibilities of BERNARD GRINDLINGER ("Grindlinger"), a Defendant herein, as an employee and/or officer of Suplee-Moseley, Inc. ("Suplee").

6. State how the Plaintiff determined that the price of Belair was less than $1.00 bid per share as of December 1, 1970.

7. State how the Plaintiff determined that the price of Belair was less than $14.00 bid per share as of April 30, 1971.

8. State how the Plaintiff determined that the price of Belair was less than $5.00 bid per share as of June 30, 1971.

9. State how the Plaintiff determined that the price of Belair was less than $1.00 bid per share as of February 1972.

10. Which accountants did each of the several Defendants, individually, allegedly cause to buy and sell Belair common stock.

11. In what ways did the several Defendants, individually, cause the accountants referred to in Paragraph 10. to buy and sell Belair common stock.

12. Under Paragraph 9(b) of the Indictment, state where during December 1970 and January 1971 any meetings between the

named Defendants and Co-conspirators were held, the names of the people who attended said meetings, the substance of any discussions had and agreements made.

13. Under Paragraph 9(b) of the Indictment, state which individual Defendants paid secret commissions to Schiffman, Kelly Andrews, Scheer and to persons whom they selected and in which amounts and to whom.

14. Under Paragraph 9(c) of the Indictment, state specifically when between January 1971 and July 1971 the Defendants and their Co-conspirators arranged for certain brokers to purchase and sell blocks of Belair common stock. State specifically which Defendants and which Co-conspirators performed the alleged illegal acts.

15. State specifically how the price of Belair stock was effected by the Defendants and their Co-conspirators and which individual Defendants and Co-conspirators were directly responsible.

16. Under Paragraph 9(f), state when, where and how the alleged secret kick-back arrangement was worked out, state who was present with the Defendants, EDWIN MENDLINGER ("Mendlinger") and STANLEY SCHILDINGER, a/k/a Stanley Snyder ("Schildinger").

17. Under Paragraph 9(f), state which persons, affiliated with certain charitable institutions, delivered the sum of $90,000 to the named Co-conspirators and state when these acts occurred.

18. State specifically where and when during January 1971 Schildinger was introduced to Schiffman by Scheer. State whether any others were present on this occasion and state the substance of any discussions had and agreements made on this occasion.

19. State specifically when in January 1971 Schildinger and Schiffman took an airplane trip from New York to California and state the substance of any discussions had and agreements made during the course of this trip which are relevant to the Indictment herein.

20. Under Paragraph 10.3, state specifically when and where Mendlinger, Schildinger, Schiffman and Scheer met together. State whether anyone else was present and the substance of any discussions had and agreements made.

21. State any means not enumerated in Paragraph 8(ii) which were allegedly used to manipulate the price of Belair common stock.

22. State specifically under Paragraph 8(iv) of the Indictment how these alleged manipulative activities were concealed and who engaged in these acts.

AS TO COUNTS TWO THROUGH ELEVEN

23. State specifically whether any meetings were held between Mendlinger and/or Schildinger and/or Korbin and/or Grindlinger and/or any other party or parties between December 1, 1970 and July 1,

1971 in pursuance of an alleged illegal scheme. If so, state where and when these meetings were held and who were present, state the nature of any discussions had and agreements made between the participants.

24. State specifically which Defendants are responsible for the mailings of the matters enumerated in COUNTS TWO THROUGH ELEVEN and state specifically how these mailings were caused to occur.

AS TO COUNT TWELVE

25. State specifically which material facts were either misstated or omitted in pursuance of an alleged illegal scheme. State the context in which these material facts were either misstated or omitted.

26. State specifically which acts, practices and courses of business the individual Defendants allegedly engaged in and how they operated as a fraud and deceit upon purchases of Belair common stock.

Dated: New York, N.Y.
October 24,1975

Yours, etc.

BANDLER & KASS, ESQS.

By: _____
William C. Sherr
(A Member of the Firm)
Attorneys for Defendants
EDWIN MENDLINGER AND
STANLEY SNYDER
Office & P. O. Address
605 Third Avenue
New York, N.Y. 10016
(212) 972-1100

TO: PAUL J. CURRAN
United States Attorney
Southern District of New York
United States Courthouse
Foley Square
New York, New York

NOTICE FOR DISCOVERY AND INSPECTION

EXHIBIT "C"

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- -X

UNITED STATES OF AMERICA,

Plaintiff,

-against-

EDWIN MENDLINGER, STANLEY SCHILDINGER, a/k/a Stanley Snyder, STUART SCHIFFMAN, BARRETT KOBRIN and BERNARD GRINDLINGER,

Defendants.

- -X

75 Cr. 956

NOTICE FOR DISCOVERY AND INSPECTION

S I R S:

PLEASE TAKE NOTICE that you are required to permit the undersigned to inspect and copy or photograph the following books, papers, documents, results, reports, statements, confessions and tangible objects, or copies or portions thereof, which are within your possession, custody and/or control, the existence of which is known, or by the exercise of due diligence may become known, to you:

1. All signed or unsigned written or recorded statements or oral confessions or admissions subsequently reduced to writing, or summarized in reports made by Defendants or others, or copies thereof.

2. All results or reports of any physical or mental examinations and scientific tests or experiments made in connection with this case, or copies thereof.

3. Names and addresses of any and all persons who have any knowledge pertaining to this case or who have been interviewed and questioned in connection with this case whether or not said persons will be called to testify in this matter.

4. F.B.I. and local arrest and conviction records of all persons mentioned in Paragraph 3., including prior Indictments of STUART SCHIFFMAN, a Defendant herein, and PERRY SCHEER, a Co-conspirator herein, and records of the dispositions of those cases.

5. Transcripts of testimony of all persons including Defendants who testified before the Grand Jury herein and exhibits introduced therein.

6. All other memoranda, books, papers, reports, documents, findings or tangible objects relating to the Indictment herein and investigation of this case, including any investigations conducted by the Securities and Exchange Commission.

7. All material and information of any nature whatsoever now known to the Government or within its possession or which may become known or which through due diligence may be learned from the investigating officers, witnesses or others in this case which are

2. All results or reports of any physical or mental examinations and scientific tests or experiments made in connection with this case, or copies thereof.

3. Names and addresses of any and all persons who have any knowledge pertaining to this case or who have been interviewed and questioned in connection with this case whether or not said persons will be called to testify in this matter.

4. F.B.I. and local arrest and conviction records of all persons mentioned in Paragraph 3., including prior Indictments of STUART SCHIFFMAN, a Defendant herein, and PERRY SCHEER, a Co-conspirator herein, and records of the dispositions of those cases.

5. Transcripts of testimony of all persons including Defendants who testified before the Grand Jury herein and exhibits introduced therein.

6. All other memoranda, books, papers, reports, documents, findings or tangible objects relating to the Indictment herein and investigation of this case, including any investigations conducted by the Securities and Exchange Commission.

7. All material and information of any nature whatsoever now known to the Government or within its possession or which may become known or which through due diligence may be learned from the investigating officers, witnesses or others in this case which are

exculpatory in nature or favorable to the accused or which may lead to exculpatory material or will be of significant benefit to Defendants in preparation for trial including, but not limited to, any statements whether or not signed or approved or any stenographic recording or transcription of any oral statement, (whether or not it is a substantially verbatim recital of the statement or was recorded contemporaneously with its making),of any persons made in connection with this case and their addresses, whether or not it relates to the proposed subject matter of the direct testimony of the witness at trial and whether or not the Government intends to call said witness at the trial, reports of any investigation and names and addresses of any and all potential witnesses known to the Government who might give information or testimony favorable to Defendants or who Defendants might be required to cross-examine at the trial.

8. Names and addresses of any and all witnesses who will be called to testify by the Government in this matter.

9. All statements, oral or written, made by all persons mentioned in Paragraph 3, or copies thereof.

Dated: New York, N. Y.
October 24, 1975

Yours, etc.

BANDLER & KASS

BY: _____

William C. Sherr
(A Member of the Firm)
Attorneys for Defendants
EDWIN MENDLINGER and
STANLEY SCHILDINGER (a/k/a
Stanley Snyder)
Office & P. O. Address
605 Third Avenue
New York,N.Y. 10016
(212) 972-1100

TO: PAUL J. CURRAN
United States Attorney
Southern District of New York
United States Courthouse
Foley Square
New York, New York

Index No. 75 Cr. 956 *Year 19* 75

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

Plaintiff

- against -

EDWIN MENDLINGER, STANLEY SCHILDINGER, a/k/a Stanley Snyder, STUART SCHIFFMAN, BARRETT KOBRIN and BERNARD GRINDLINGER,

Defendants.

NOTICE OF MOTION AND AFFIDAVITS

BANDLER & KASS
Attorneys for Defendants: Edwin Mendlinger, and Stanley Schildinger a/k/a Stanley Snyder
605 THIRD AVENUE
NEW YORK, N. Y. 10016
(212) 972-1100

To:

Attorney(s) for

Service of a copy of the within *is hereby admitted.*

Dated:

Attorney(s) for

PLEASE TAKE NOTICE

Check Appropriate Box

☐ NOTICE OF ENTRY *that the within is a (certified) true copy of a entered in the office of the clerk of the within named court on* *19*

☐ NOTICE OF SETTLEMENT *that an Order of which the within is a true copy will be presented for settlement to the Hon. one of the judges of the within named Court, at on* *19* *, at* *M.*

Dated:

BANDLER & KASS

Attorneys for

605 THIRD AVENUE
NEW YORK, N. Y. 10016

To:

STATE OF NEW YORK, COUNTY OF [redacted] ss:

I, the undersigned, am an attorney admitted to practice in the courts of New York State, and

☐ Attorney's Certification — certify that the annexed has been compared by me with the original and found to be a true and complete copy thereof.

☐ Attorney's Verification by Affirmation — say that: I am the attorney of record, or of counsel with the attorney(s) of record, for . I have read the annexed know the contents thereof and the same are true to my knowledge, except those matters therein which are stated to be alleged o information and belief, and as to those matters I believe them to be true. My belief, as to those matters therein not stated upo knowledge, is based upon the following:

The reason I make this affirmation instead of is

I affirm that the foregoing statements are true under penalties of perjury.
Dated:

(Print signer's name below signature)

Check Applicable Box

STATE OF NEW YORK, COUNTY OF ss:

being sworn says: I am

☐ Individual Verification — in the action herein: I have read the annexed know the contents thereof and the same are true to my knowledge, except those matters therein which are stated to be alleged o information and belief, and as to those matters I believe them to be true.

☐ Corporate Verification — the of a corporation, one of the parties to the action: I have read the annexed know the contents thereof and the same are true to my knowledge, except those matters therein which are stated to be alleged information and belief, and as to those matters I believe them to be true.

My belief, as to those matters therein not stated upon knowledge, is based upon the following:

Sworn to before me on , 19

(Print signer's name below signature)

STATE OF NEW YORK, COUNTY OF NEW YORK ss:

NANCY J. ROSE
age and reside at NEW YORK,N.Y.

being sworn says: I am not a party to the action, am over 18 years o

On OCTOBER 28 , 19 75 , I served a true copy of the annexed Notice of Motion and Affidavits in the following manner:

Check Applicable Box

☒ Service By Mail — by mailing the same in a sealed envelope, with postage prepaid thereon, in a post office or official depository of the U.S. Postal Servi within the State of New York, addressed to the last known address of the addressee(s) as indicated below:

☐ Personal Service — by delivering the same personally to the persons and at the addresses indicated below:

Paul J. Curran, Esq.
United States Attorney
Southern District of New York
United States Courthouse
Foley Square
New York,N.Y. 10005

Sworn to before me on October 28 , 19 75

(Print signer's name below signature)

SAS:slc
M-1157

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,	:	
-v-	:	
EDWIN MENDLINGER, STANLEY SCHILDINGER, a/k/a STANLEY SNYDER, STUART SCHIFFMAN, BARRETT KOBRIN and BERNARD GRINDLINGER,	:	GOVERNMENT'S BILL OF PARTICULARS AND ANSWERS TO MOTIONS FOR DISCOVERY AND FOR OTHER RELIEF
Defendants.	:	75 Cr. 956 (CMM)

S I R S:

PLEASE TAKE NOTICE that as and for its Bill of Particulars and Answers to the defendants' Motions for Discovery and Inspection and for Other Relief, the Government alleges as follows:

I. BILL OF PARTICULARS FOR DEFENDANTS EDWIN MENDLINGER AND STANLEY SCHILDINGER, a/k/a STANLEY SNYDER (hereinafter "Snyder")

Count One

1. Opposed, in that it calls for the Government's evidence.

2. Consented to, insofar as the Government has agreed to provide defense counsel with all Belair Financial documents in our possession; except as provided herein defense counsel withdraws this request.

3. Withdrawn.

4. Consented to, insofar as the Indictment specifies that defendant Kobrin was at all relevant times a registered representative employed at Halle & Stieglitz's Maplewood, New Jersey office; except as herein provided, defense counsel withdraws this request.

5. Consented to, insofar as the Indictment specifies that defendant Grindlinger was at all relevant times a registered representative employed at Supplee-

Mosley, Inc.'s office in York, Pa.; except as herein provided, defense counsel withdraws this request.

6. Consented to, insofar as the Government will furnish to defense counsel a copy of a chart showing price ranges as reflected in the "pink sheets", for Belair Financial common stock for the period from December 1970 until June 1971; except as herein provided, defense counsel withdraws this request.

7. Consented to and withdrawn, to the extent specified in I 6 above.

8. Consented to and withdrawn, as specified in I 6 above.

9. Consented to and withdrawn, as specified in I 6 above.

10. Consented to, to the extent that the Government will provide defendants with inspection and copies (if requested) of all records within its possession of Belair Financial Corp.; Mendlinger, Snyder, Inc.; Kelly Andrews and Bradley; Halle & Stieglitz; and Supplee-Mosley, Inc.

11. Consented to, to the extent that the Government will provide documentation as set forth in I 10 hereinabove.

12. Consented to, to the extent that the Government will furnish to each defense counsel, his own client's Grand Jury testimony and other prior statements made by his client. Further particularization beyond what is already set forth in the Indictment is not warranted and is simply a fishing expedition on the part of the defendants Mendlinger and Snyder.

AS:bj
-1157

13. Consented to, insofar as the Government will furnish copies of all checks issued by Mendlinger, Snyder, Inc. which reflect secret commissions referred to in the Indictment.

14. Opposed, in that the Indictment is sufficiently detailed and defendants' request for further specificity constitutes an improper attempt to obtain the Government's evidence.

15. Opposed, in that it improperly seeks the Government's theory of the case.

16. Opposed, in that the Indictment contains sufficient particularity, especially when coupled with the checks and the Grand Jury testimony and statements that will be turned over to defense counsel for Mendlinger and Snyder.

17. Consented to, as limited. The sum was delivered in May of 1971.

18. Opposed, in that the Indictment contains sufficient particularity, especially when coupled with defendants' prior statements and Grand Jury testimony, which will be turned over.

19. Opposed, for the reasons set forth in I 18 above.

20. Opposed, for the reasons set forth in I 18 above.

21. Opposed, in that it calls for the Government's evidence.

22. Opposed, in that it calls for the Government's evidence.

Counts Two through Eleven

23. Opposed, in that it improperly calls for the Government's evidence.

24. Opposed, in that the Indictment speaks for itself, and the request improperly seeks the Government's legal and factual theories.

25. Consented to, as limited. The defendants, in connection with the purchase and sale of Belair Financial common stock made or caused to be made, inter alia, the following untrue statements of material facts and omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading:

(1) Various purchasers of Belair Financial common stock were not informed that secret kickbacks, moneys and other consideration were offered and/or paid or transferred to certain brokers and others in order to generate interest in, and sales of, Belair Financial common stock.

(2) Various purchasers of Belair Financial common stock were not informed that the price of Belair Financial common stock was being manipulated through artificial and rigged trading, secret kickbacks and payoffs to brokers and others, and other means, pursuant to a scheme (i) to drive up the price of Belair Financial common stock from approximately $1.00 per share to approximately $15.00 per share, and (ii) to conceal these manipulative activities.

26. Consented to, as specified in response to I 25 above; otherwise opposed.

II. DISCOVERY AND INSPECTION FOR DEFENDANTS EDWIN MENDLINGER AND STANLEY SCHILDINGER, a/k/a STANLEY SNYDER

1. Consented to, in accordance with Rule 16(a), F.R.Cr.P.

2. Consented to, in accordance with Rule 16(a), F.R.Cr.P.

SAS:bj
M-1157

3. Consented to, to the extent and on conditions set forth in annexed affidavit of Steven A. Schatten, as to lists of witnesses.

4. Opposed, except that the Government will furnish each defendant with a copy of his own rap sheet and will provide Brady and 3500 material at the appropriate time.

5. Opposed, except that the Government will furnish defense counsel with their own client's Grand Jury testimony.

6. Opposed, in that this is a blatant fishing expedition.

7. Consented to, to the extent that the Government will furnish all documents and information within the purview of Brady v. Maryland and Section 3500 at the appropriate time.

8. Consented to, to the extent and on conditions set forth in annexed affidavit, ¶¶5, et seq.

9. Opposed, the Government will, of course, furnish all statements within the purview of Title 18, United States Code, Section 3500 at the appropriate time; Counsel for Mendlinger and Snyder has agreed to withdraw this request.

III. DISCOVERY AND INSPECTION FOR DEFENDANT BERNARD GRINDLINGER

1. Consented to, to the extent and on conditions set forth in annexed affidavit, ¶¶5, et seq.

2. Opposed, the Government, of course, will

2. Consented to, insofar as the Government will furnish the "arkowitz check, as agreed with Grindlinger's counsel.

3. Consented to, see IV 2 hereinabove.

4. Opposed, except as specified in IV 2 hereinabove.

5. Consented to, as limited. See I 25 hereinabove.

6. Consented to, to the extent set forth in I 25 hereinabove.

7. Consented to, to the extent that the Government will furnish copies of all confirmations referred to in Counts Two - Eleven.

Counts Two through Eleven

8. Consented to, see IV 7 hereinabove.

V. DEFENDANT GRINDLINGER'S MOTION FOR ORDER PURSUANT TO THE FOURTH AMENDMENT AND TITLE 18, UNITED STATES CODE, SECTION 2518

1. The Government understands that the defendant withdraws this request.

VI. BILL OF PARTICULARS FOR DEFENDANT KOBRIN

Count One

1(i) Opposed, except to note that "elsewhere" includes, among other places, the District of New Jersey, the Eastern District of New York and the Central District of California.

1(ii) Consented to.

1(iii) Opposed, in that it calls for the Government's evidence.

2(i) Opposed, in that it calls for the Government's evidence.

2(ii) Opposed, in that it calls for the Government's evidence.

2(iii) Consented to, to the extent that the Government will furnish copies of the checks issued by Mendlinger, Snyder, Inc. in furtherance of the secret kickback schemes.

2(iv) Opposed, in that it calls for the Government's evidence.

2(v) Consented to insofar as the Government will furnish a copy of a chart reflecting activity in the "pink sheets" for Belair Financial from December 1970 to June 1971.

2(vi) Opposed, in that it calls for the Government's evidence.

2(vii) Opposed, argumentative requests.

2(viii) Opposed, in that it calls for the Government's evidence.

3(i) Consented to, insofar as the Government will furnish defendant with inspection and copies (if requested) of all records of Belair Financial; Mendlinger, Snyder, Inc., Kelly Andrews and Bradley; Halle & Stieglitz; and Suplee-Mosley, Inc. and copies of all documents turned over to the Government by defendant Kobrin.

3(ii) Consented to.

3(iii) Opposed, in that it calls for the Government's evidence.

3(iv) Opposed, in that it calls for the Government's evidence.

3(v) Opposed, in that it calls for the Government's evidence.

3(vi) Opposed, in that it calls for the Government's evidence.

3(vii) Opposed, in that it calls for the Government's evidence.

3(viii) Consented to. See VI 2(iii).

3(ix) Opposed, in that it calls for the Government's evidence.

3(x) Opposed, in that it calls for the Government's evidence.

3(xi) Opposed, in that it calls for the Government's evidence.

3(xii) Consented to. See VI 3(i) hereinabove.

3(xiii) Opposed, in that it calls for the Government's evidence.

3(xiv) Opposed, in that it calls for the Government's evidence.

3(xiv) Opposed, in that it calls for the Government's evidence.

3(xv) Opposed, in that it calls for the Government's evidence.

3(xvi) Consented to. See VI 2(iii) hereinabove

3(xvii) Opposed, in that it calls for the Government's evidence.

3(xviii) Consented to, insofar as the Government will furnish copies of all checks issued by Mendlinger, Snyder, Inc., pursuant to the secret compensation scheme.

3(xix) Opposed, in that it calls for the Government's evidence.

3(xx) Consented to.

SAS:ow
M-1157

4(i) Opposed. See VI 1(i) hereinabove.

4(ii) Opposed, in that it calls for the Government's evidence.

4(iii) Opposed, in that it calls for the Government's evidence.

4(iv) Opposed, in that it calls for the Government's evidence.

4(v) Opposed, in that it calls for the Government's evidence.

4(vi) Consented to, insofar as the Government will furnish copies of all checks issued by Mendlinger, Snyder, Inc. pursuant to the secret compensation scheme.

4(vii) Consented to. See VI 4(vi) hereinabove.

4(viii) Consented to. See VI 4(vi) hereinabove.

4(ix) Consented to. See VI 4(vi) hereinabove.

4(x) Consented to. See VI 4(vi) hereinabove.

4(xi) Consented to. See VI 4(vi) hereinabove

4(xii) Consented to. See VI 4(vi) hereinabove.

4(xiii) Consented to, insofar as the Government will furnish the addresses of the named organizations.

Counts Two through Eleven

5(i) Consented to, See I 25 above. The Government will also furnish the copies of the confirmations referred to in Counts Two-Eleven.

6(i) Opposed, as calling for the Government's evidence.

6(ii) Opposed, as calling for the Government's evidence.

SAS:slc
M-1157

Count Twelve

7(i) Opposed. See VI 1(i) hereinabove.

7(ii) Opposed, beyond the purview of a bill of particulars; except that the Government will furnish copies of confirmations referred to in Counts Two-Eleven, and inspection of all documents obtained from defendant Kobrin, and all records of Belair Financial; Mendlinger Snyder, Inc.; Kelly Andrews and Bradley; Halle & Stieglitz; and Suplee-Mosley, Inc.

8(i) Consented to, insofar as the Government will furnish defendant's Grand Jury testimony.

8(ii) Opposed, as calling for the Government's legal and factual theories.

9(i) Consented to, as limited. See VI 7(ii) hereinabove.

9(ii) Consented to, as agreed to by defense counsel; the Government sill specify the place and month in which the meetings occurred.

9(iii) Opposed, as calling for the Government's evidence.

10. At defendant Kobrin's request, the Government is requesting that an "all agency" search of federal agencies be made to disclose the existence (if any) of electronic surveillance by federal agencies with respect to defendant Kobrin.

VII DEFENDANT BARRETT KOBRIN'S
RULE 16(a) MOTION

8. Consented to, pursuant to Rule 16, F.R.Cr. P.

VII DEFENDANT KOBRIN'S
RULE 16 MOTION

11(i) Opposed, as calling for the Government's evidence.

11(2) Consented to. See VI 4(vi) hereinabove.

11(3) Opposed, as calling for the Government's evidence.

11(4) Consented to, insofar as the Government will furnish all records that it obtained from defendant Kobrin.

11(5) Consented to, insofar as the Government will turn over all Belair Financial Corporation financial statements within its possession.

IX DEFENDANT BARRETT KOBRIN'S MOTION
FOR EXCULPATORY INFORMATION

Consented to, insofar as the Government, of course, will furnish all material within the purview of Brady v. Maryland, if any, and material within the purview of Title 18, United States Code, Section 3500, at the appropriate time.

Yours, etc.,

THOMAS J. CAHILL
United States Attorney

By: Steven A. Schatten
STEVEN A. SCHATTEN
Assistant United States Attorney
Office & Post Office Address:
United States Attorney's Office
One St. Andrew's Plaza
New York, New York 10007
Tel.: (212) 791-9154

will please take notice that a ____
ch the within is a copy, was this day
ntered in the within entitled action,
office of the Clerk of this Court.

d, N. Y., _____, 19____

Yours, etc.,

A-68

United States Attorney
Attorney for _____

Attorney for _____

se take notice that the within ____
presented for settlement and sig-
of the Honorable _____
States District Judge, at the office of
rk, Room 601, United States Court-
Foley Square, Borough of Manhat-
ty of New York, on the ____ day of
____, 19____, at 10:30 o'clock in the
noon or as soon thereafter as coun-
be heard.

d, N. Y., _____, 19____

Yours, etc.,

United States Attorney
Attorney for _____

Attorney for _____

United States District Court

SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

- v -

EDWIN MENDLINGER, STANLEY SCHILDINGER, a/k/a "Stanley Snyder", STUART SCHIFFMAN, BARRETT KOBRIN and BERNARD GRINDLINGER,

Defendants.

GOVERNMENT'S BILL OF PARTICULARS AND ANSWERS TO MOTIONS FOR DISCOVERY AND FOR OTHER RELIEF

75 Cr. 956 (CMM)

THOMAS J. CAHILL

TEL. 264-3311
791-9154

United States Attorney
Attorney for USA

Due service of a copy of the within is hereby admitted.

New York, _____, 19____

Attorney for

To

Attorney for

FPI—8S—6-13-74—50M—1214

I. Mendlinger and Schildinger:
Bill of Particulars

1. Granted only as to overt acts which the government intends to rely on to satisfy the necessary elements of the crime.

2. Consented to.

3. Withdrawn.

4-9. Granted to the extent consented to by the government.

10-11. Granted insofar as consented to by the government.

12. Granted to the extent that the government shall provide defendants with the date and place of meetings, if any. Otherwise denied.

13. Granted insofar as consented to by the government.

14. Denied.

15-16. Denied.

17. Consented to.

18. Granted to the extent of identifying the place and time of meetings, if any. Otherwise denied.

19. Granted to the extent that the government shall provide a more precise date, if known. Otherwise denied.

20. Granted to the extent of providing place and date. Otherwise denied.

21-22. Denied.

23. Granted to the extent of providing dates and places, if any. Otherwise denied.

24. Denied.

25-26. Granted insofar as consented to by the government.

II. Mendlinger and Schildinger:
Motions pursuant to Rule 16

1-2. Granted insofar as consented to by the government.

3. Denied.

4-5. Granted insofar as consented to by the government.

6. Granted to the extent provided by Rule 16.

7. Consented to. The government is reminded that this court adheres to the view expressed in United States v. Deutsch, 373 F. Supp. 289 (S.D.N.Y. 1974), and that accordingly, Brady material is to be turned over sufficiently in advance of trial to make it useful to defendants.

8. The government shall provide defendants with a list of government witnesses, with addresses, ten (10) days prior to the date of trial. United States v. Cannone, Dock. No. 75-1201 (2d Cir. September 26,197); United States v. Baum, 482 F.2d 1325, 1331 n.3 (2d Cir. 1973). The government's request for production of witness lists of defendants is denied. None of the cases cited by the government stands for the proposition that such a broad grant is required or proper. However, alibi witnesses, if any, shall be disclosed to the government, with addresses, ten (10) days prior to the date set for trial. Fed. R. Crim. P. Rule 12.1.

9. The government will produce all statements embraced within the requirements and times provided in 18 U.S.C. § 3500.

By affidavit, defendants Mendlinger and Schildinger aver that they were not given Miranda warnings prior to testifying before the grand jury. They also claim that their attorney was deceived by an Assistant United States Attorney who informed defendants' counsel that they were not targets of the grand jury investigation, that, relying on this, they went before the grand jury prepared to fully cooperate, that once inside, they were informed they were targets and were flustered when they answered, requiring that the indictment be dismissed against them, or, at least, the grand jury testimony be suppressed. They also seek to suppress statements made to an Assistant United States Attorney before whom they were called by subpoena, without proper warnings.

The grand jury transcript clearly shows that movants were given the appropriate warnings after being informed that they were targets of the investigation. No affidavit has been submitted by their attorney who was present at the time. Assuming the truth of the alleged prior representation by the Assistant, the movants were fully advised of their rights and could

have requested to again consult with counsel prior to testifying. The grand jury testimony of the movants will not be suppressed. A-72

It appears that any statements given by the defendants to the Assistant were done so in the presence of counsel obviating the necessity of any Miranda warnings at that time.

The defendants shall comply with Rule 16(b)(1)(A) and (B) of the Federal Rules of Criminal Procedure as is required in each case.

So ordered.

Dated: New York, N.Y.
January 12, 1976

CHARLES M. METZNER
U. S. D. J.

ets

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA	:	GOVERNMENT'S BILL OF PARTICULARS IN RESPONSE
-v-	:	TO COURT ORDER, DATED JANUARY 12, 1976
EDWIN MENDLINGER, ET AL,	:	75 Cr. 956 (CHM)
Defendants.	:	

S I R S:

PLEASE TAKE NOTICE that as and for its Bill of Particulars, the government allages as follows:

BILL OF PARTICULARS FOR DEFENDANTS
EDWIN MENDLINGER AND STANLEY SCHILDINGER,
a/k/a STANCEY SNYDER (hereinafter "SNYDER")

1. The Government will rely upon only those Overt Acts as are specified in the Overt Act Section of Count One of the Indictment in satisfying the overt act requirement of the conspiracy count.

12. The meetings referred to in paragraph 9(b) place in or about January, 1971 and early February, 1971 at Kelly, Andrews & Bradley, at Mr. Synder's apartment and in telephone conversations.

18. The meeting, which is referred to in the First Overt Act, occurred in or about January, 1971. The meeting took place at Kelly, Andrews & Bradley, 111 John Street, New York, New York.

19. The meetings in California, referred to in the Second Overt Act, occurred sometime in or about the period from February 18, 1971 to March 5, 1971.

20. With respect to the Third Overt Act, there were a number of meetings at which the compensation for supplying buyer power was discussed. The meetings referred to in the Third Overt Act occurred in or about March, 1971 in lower Manhattan.

SAS:jp

23. Insofar as the defendants Mendlinger and Snyder are concerned, by reason of their business under the name Mendlinger, Snyder, Inc., the proof will indicate that both defendants were operating and conducting business together during the period from December 1, 1970 and July 1, 1971 as well as before and after. The proof will also indicate that Mendlinger, Snyder, Inc. directly or indirectly transferred the $8,000 check to Lewis Markowitz, Esq. to defendant Grindlinger on or about March 25, 1971. Of course, there are additional meetings and conversations between defendant Schiffman (and/or various co-conspirators) with Mendlinger and/or Snyder during the course of the conspiracy.

BILL OF PARTICULARS FOR
DEFENDANT BARRETT KOBRIN

1(ii) Al Siegel, Lewis Markowitz, Zadle Leshinsky, Menashe Klein, Joseph Klein, Abraham Klein, I Cahn & Co., J. D. Winer & Co., Harvey Printz, Barry Chajet, Halle & Stieglitz and brokers thereat, First New York Equities, Chartered New England, Redstone Securities and Neal Pace. For addresses, see address list which has been furnished previously to defense counsel.

3(i) Control as used in ¶ 9(a) of the Indictment is defined as it is in the Securities act of 1933 and the Securities Exchange Act of 1934, and includes without limitation, accounting over which the broker has control, discretionary accounts and accounts of brokers as to whom an offer and/or payment of money or valuable consideration has been made to promote the price of stock. Beneficial interest as used in ¶ 9(a) of the Indictment refers to any legal and/or equitable interest.

3(xix) Marbeatze Torah Institute
1604 Avenue R
Brooklyn, New York 11229

Yeshivat Beth Shearim
5306 16 Avenue 374 South 5th Street
Brooklyn, New York

Congregation Bais Avroham
1638 East 15th Street
Brooklyn, New York 11229

Congreation Beth Samuel
1966 Ocean Avenue
Brooklyn, New York 11230

Chevre Liady Nusach Hoary
315 Hooper Street (corner So. 5th Street)
Brooklyn 11, New York

American Friends of N.N.M.C.
P. O. Box 127
Brooklyn, New York

Yeshiva Lemetzuyanim
1728 East 19th Street

4(11) Except insofar as Kobrin as a defendant-conspirator is responsible for acts and statements done and made in furtherance of the conspiracy, defendant Kobrin was not in attendance and did not otherwise arrange for the meeting at which defendant Schildinger ("Snyder") was introduced by Perry Scheer to defendant Schiffman; and, except as qualified previously, defendant Kobrin did not travel with either defendant Schildinger ("Snyder") or defendant Schiffman to California in early 1971, nor was he in attendance at any such meetings held in California; and, except insofar as Kobrin as a defendant-conspirator is responsible for acts and statements done and made in furtherance of the conspiracy, defendant Kobrin did not attend the meeting at which Mandlinger, Snyder, Schiffman and Scheer met in New York, New York as referred to in Overt Act ¶10(3).

6(1) Insofar as defendant Kobrin is a co-conspirator and member of a joint venture with the other defendants, he is responsible for all of the mailing in Counts 2-11. Specifically, the mailings referred to in Counts 2-5 and in Counts 8-11 were made to customers of Halle & Stieglitz, the brokerage firm with which defendant Kobrin was connected. The dates and addresses of mailing are specified in the respective counts. All of the mailings in Counts 2-5 and in Counts 8-11 were mailed from Halle & Stieglitz. The Government is herewith furnishing copies of the confirmations involved in Counts 2-11.

9(iii) The Government's proof will involve conversations as to payoffs and/or offers thereof involving defendant Kobrin, which occurred in or about April and May 1971.

BILL OF PARTICULARS FOR
DEFENDANT BERNARD GRINDLINGER

2-4 The $8,000 check to Lewis Markowitz, Esq. was transferred to defendant Grindlinger in lower Manhattan on or about March 25, 1971.

5-8 In response to Kobrin's §6(1) ~~index~~ Bill of Particulars, the Government has furnished the requested information, as to Counts 2-5 and Counts 8-11. As to Counts 6 and 7, the respective confirmations were mailed on April 30, 1971 by Dryfoos & Co., 15 Maiden Lane, New York, N.Y. and Advest Co., through Newburger & Co., 1401 Walnut Street, Philadelphia, Pa., respectively. Copies of each of the confirmations involved in Counts 2-11 are being transmitted herewith to all defense counsel.

SAS:mi

Yours, etc.,

THOMAS J. CAHILL,
United States Attorney for the
Southern District of New York
Attorney for the United States
of America.

By: Steven A Schatten

STEVEN A. SCHATTEN,
Assistant United States Attorney
Office & Post Office Address:
United States Attorney's Office
One St. Andrew's Plaza
New York, New York 10007
(212) 791-9154

Form No. USA-33s-270
(Rev. 10-25-65)

please take notice that a _____
e within is a copy, was this day
d in the within titled action,
of the Clerk of this Court.

Y., _____, 19___

Yours, etc.,

_____
United States Attorney
Attorney for _____

_____
Attorney for _____

e notice that the within _____
ned for settlement and sig-
Honorable _____
District Judge, at the office of
oom 601, United States Court-
Square, Borough of Manhattan,
York, on the ____ day of ____,
0:30 o'clock in the _____ noon
reafter as counsel can be heard.

Y., _____, 19___

Yours, etc.,

_____
United States Attorney
Attorney for _____

_____
Attorney for _____

United States District Court

SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

-v-

EDWIN MENDLINGER, ET AL.,
Defendants.

GOVERNMENT'S BILL OF PARTICULARS
IN RESPONSE TO COURT ORDER,
DATED JANUARY 12, 1976
75 Cr. 956 (CMM)

791-9154 Thomas J. Cahill

TEL. ~~XXXXX~~ *United States Attorney*
Attorney for _____

Due service of a copy of the within is hereby admitted.

New York, _____, *19*_____

_____
Attorney for

To

_____
Attorney for

FPI-MI—2-2-73-50M-8754

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
----------x

UNITED STATES OF AMERICA,

-v-

EDWIN MENDLINGER,
STANLEY SCHILDINGER,
a/k/a Stanley Snyder,
STUART SCHIFFMAN,
BARRETT KOBRIN, and
BERNARD GRINGLINDER,

DEFENDANTS.
----------x

75 Cr. 956 (CMM)

MOTION FOR JUDGMENT OF ACQUITTAL NOTWITHSTANDING THE VERDICT AND, IN THE ALTERNATIVE, FOR A NEW TRIAL

Defendants Edwin Mendlinger and Stanley Schildinger, a/k/a Stanley Snyder, move this Court pursuant to Rule 29(c) of the Federal Rules of Criminal Procedure to set aside the verdict of guilty returned in the above entitled action on March 4, 1976, and to enter judgment of acquittal. In the alternative, defendants move this Court to set aside the verdict and grant them a new trial. The alternative motions are each made on the following grounds:

1. The evidence at trial was insufficient to sustain a conviction on the three counts affecting defendant Mendlinger and on the two counts affecting defendant Snyder.

2. The Government has failed to meet its burden of proving a conspiracy, because it has failed to prove any agreement. An agreement between the alleged conspirators is an essential element to the crime of conspiracy. United States v. Borelli, 336 F.2d 376 (2nd Cir. 1964), art. den. sub. nom. Cinquegrano v. United States, 379 U.S. 960 (1965). In this case, the Government's witnesses have presented four versions of an alleged "agreement". Schiffman testified that Mendlinger and Snyder were to pay to the conspirators 50% of the price over $3.00 of Belair stock that was sold by them. Scheer stated that this was a lie, and that the purported agreement was entirely different. He variously offered as the base figure from which to compute the conspirators' share $2.50, $5.00 and $5.50 per share, as well as admitting that previous pre-trial statements made by him that the consideration agreed to be paid to Kelly, Andrews & Bradley was stock and not a share of profits, was false. These inconsistencies can only prove that there was no agreement, because an agreement can exist only where there are mutual promises. In this instance, there were not two similar versions of what Mendlinger and Snyder promised. Furthermore, even if one version were chosen as the alleged agreement, it would be unbelievable as a matter of law. It is incomprehensible that Mendlinger and Snyder would agree to pay out 50% of the sales price over a set figure, no higher than $5.50, when much of

the stock they traded was bought at prices well in excess of $5.50 per share - indeed, much of the stock was bought at prices well in excess of $10 per share. If any of the alleged "promises" were in fact made by Mendlinger and Snyder, they would have lost substantial sums in their dealings with Belair stock rather than having realized a substantial profit.

3. In addition, the Government has failed to prove either a conspiracy to manipulate or a violation of the securities laws, because it has failed to prove the manipulation of Belair stock by the defendants Mendlinger and Snyder with which they are charged in the within indictment. The Government has offered no evidence of "wooden tickets", or that the float of Belair stock was controlled or that illegal payments or kickbacks were made to brokers. Without any of these elements, it cannot be said that any of the defendant's actions had an "impact" on investors. United States v. Ashdown 509 F.2d 793 (5th Cir. 1975), reh. den. 511 F.2d 1402 (5th Cir. 1975); United States v. Schaefer, 299 F.2d 625 (7th Cir. 1962), cert. den. 370 U.S. 917 (1962). These characteristics of a manipulative scheme were never proved by the Government in its case against Mendlinger and Snyder.

4. The Government has failed to prove the tax charge against Mendlinger. The Government has failed to prove that Mendlinger possessed

the requisite wilfullness. Mendlinger had a right to rely on Snyder's assertion that their tax counsel, Robert Arum, had approved the payment of legal, advertising and consulting fees at the request of Kelly, Andrews & Bradley in lieu of paying the sums owing to it. In effect, Mendlinger relied on the advice of counsel. If Mr. Arum, the former Chief of the Tax Unit of the United States Attorney's Office, could be mistaken as to the proper characterization of the payments, then so could Mendlinger. Furthermore, as Mr. Arum testified, even if the deductions were mislabeled, they were not material misrepresentations since they in no way hindered the Internal Revenue Service in reviewing and auditing the tax return of Mendlinger, Snyder, Inc. in question. The payees of the checks were freely revealed to the Government. If the Government was in any way hindered in reviewing and auditing the Mendlinger, Snyder, Inc. tax return, it was because the payees did not speak truthfully with the Internal Revenue agents. Such actions by the payees were out of the control of Mendlinger who gave his full assistance to the investigating officials of the Internal Revenue Service and there has never been any suggestion that he misled any of the investigating officials. Finally, if the Court accepts the argument of defendants Mendlinger and Snyder, advanced in paragraph 2 and 3, supra, that there was no conspiracy and no manipulation of the price of Belair

stock, then the payments could not be considered illegal and were properly deductible.

5. The Court has the right and the obligation to reverse a conviction where it finds that the prosecution has failed to produce sufficient evidence beyond a reasonable doubt to show that the defendants acted wilfully, or further, that the defendants had guilty knowledge of an alleged conspiracy to manipulate, even if such a conspiracy existed. In United States v. Natelli, _____F.2d_____(2d Cir. 1975) the Court reversed the conviction of a co-defendant for wilfully making false and misleading material specifications in a proxy statement where the Appellate Court found there was insufficient evidence with respect to one of the specifications submitted to the jury. In United States v. Tavoularis, ____F.2d_____(2d Cir. 1975), the court reaffirmed the rule that guilty knowledge may not be imputed from one member of a conspiracy to another or from a principal to an aider and abettor. "Where a substantive defense requires specific knowledge, that same knowledge must be established before a defendant can be found to be a member of a conspiracy to commit the offense." If there is "insufficient evidence of knowledge on the substantive account, the conviction of the conspiracy count is equally defective."

WHEREFORE, the defendants Edwin Mendlinger and Stanley Schildinger, a/k/a Stanley Snyder, respectfully request this Court to

set aside the verdict of guilty returned in the above entitled action on March 4, 1976, and to enter judgment of acquittal or, in the alternative, to set aside the verdict and grant the defendants a new trial. The defendants Mendlinger and Snyder further request this Court to grant such other and further relief as to this Court may seem just and proper.

Dated: New York, N. Y.
March 10, 1976

Respectfully submitted,

Bandler & Kass

By: _____
(A Member of the Firm)

Attorneys for Defendants
Edwin Mendlinger and
Stanley Schildinger, a/k/a
Stanley Snyder
Office & P. O. Address
605 Third Avenue
New York, N. Y. 10016
(212) 972-1100

To: Thomas J. Cahill, Esq.
United States Attorney for the
Southern District of New York
(Of Counsel: Steven A. Schatten, Esq.
Assistant United States Attorney)
One St. Andrews Plaza
New York, N. Y. 10007

Index No. 75 Cr. 956 (CMM) *Year 19*

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

-v-

EDWIN MENDLINGER, STANLEY SCHILDINGER, a/k/a Stanley Snyder, STUART SCHIFFMAN, BARRETT KOBRIN AND BERNARD GRINDLINGER,

DEFENDANTS.

MOTION FOR JUDGMENT OF ACQUITTAL NOTWITHSTANDING THE VERDICT AND, IN THE ALTERNATIVE, FOR A NEW TRIAL.

BANDLER & KASS

Attorneys for DEFENDANTS EDWIN MENDLINGER AND STANLEY SCHILDINGER, a/k/a Stanley Snyder

605 THIRD AVENUE
NEW YORK, N. Y. 10016
(212) 972-1100

To:

Attorney(s) for

Service of a copy of the within is hereby admitted.

Dated:

MAY 1 1 1976
ROBERT B. FISKE, JR.
U.S. ATTORNEY
SO. DIST. OF N.Y.

.....

Attorney(s) for

PLEASE TAKE NOTICE

Check Applicable Box

☐ NOTICE OF ENTRY *that the within is a (certified) true copy of a entered in the office of the clerk of the within named court on* 19

☐ NOTICE OF SETTLEMENT *that an Order of which the within is a true copy will be presented for settlement to the Hon. one of the judges of the within named Court, at on* 19 , *at* M.

Dated:

BANDLER & KASS

Attorneys for

605 THIRD AVENUE
NEW YORK, N. Y. 10016

To:

Index No. 75 Cr. 956 (CHM) Year 19

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

--v--

EDWIN MENDLINGER, STANLEY SCHILDINGER, a/k/a Stanley Snyder, STUART SCHIFFMAN, BARRETT KOBRIN AND BERNARD GRINGLYTICER,

DEFENDANTS.

MOTION FOR JUDGMENT OF ACQUITTAL NOTWITHSTANDING THE VERDICT AND, IN THE ALTERNATIVE, FOR A NEW TRIAL.

BANDLER & KASS

Attorneys for DEFENDANTS EDWIN MENDLINGER AND STANLEY SCHILDINGER, a/k/a Stanley Snyder
605 THIRD AVENUE
NEW YORK, N. Y. 10016
(212) 972-1100

To:

Attorney(s) for

Service of a copy of the within ..... *is hereby admitted.*

Dated: MAY 12 1975 Robert B. Fiske Jr. Attorney Southern Dist. of N.Y.

Attorney(s) for

PLEASE TAKE NOTICE

[ ] NOTICE OF ENTRY *that the within is a (certified) true copy of a entered in the office of the clerk of the within named Court on* 19

[ ] NOTICE OF SETTLEMENT *that an Order of which the within is a true copy will be presented for settlement to the Hon. one of the judges of the within named Court, at on* 19 *at*

Dated:

BANDLER & KASS

Attorneys for

605 THIRD AVENUE
NEW YORK, N. Y. 10016

To:

Attorney(s) for

Motion denied
So ordered
Charles H. Tenney
U.S.D.J.
5/15/75

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
----------x

UNITED STATES OF AMERICA,

-v-

EDWIN MENDLINGER,
STANLEY SCHILDINGER,
a/k/a Stanley Snyder,
STUART SCHIFFMAN,
BARRETT ROBRIN and
BERNARD GRINDLINGER,

DEFENDANTS.
----------x

75 Cr. 956 (CMM)

MOTION TO AMEND AND SUPPLEMENT DEFENDANTS' MENDLINGER AND SNYDER'S MOTION FOR JUDGMENT OF ACQUITTAL NOTWITHSTANDING THE VERDICT AND, IN THE ALTERNATIVE, FOR A NEW TRIAL

Defendants Edwin Mendlinger and Stanley Schildinger, a/k/a Stanley Snyder, move this Court pursuant to Rules 29(c) and 47 of the Federal Rules of Criminal Procedure for permission to amend and supplement their motion to set aside the verdict of guilty returned in the above entitled action on March 4, 1976, and to enter judgment of acquittal. In said motion defendants alternatively moved this Court to set aside the verdict and grant them a new trial. Defendants ask leave to amend in the following particulars:

1. Adding Paragraph 6 to read as follows:

"6. The Government has offered proof of the existence of three (3) separate conspiracies

and the Court has failed to properly marshal the evidence which was offered against the various defendants. The three (3) alleged conspiracies were: First, a purported conspiracy involving Mendlinger,Snyder, Schiffman, Scheer and Yamada which resulted in and terminated at the end of April, 1971 with the alleged "blowing off" of 40,000 shares of Belair Financial stock to the mutual fund controlled by Yamada. Second, the Redstone conspiracy about which the Court properly instructed the jury to disregard all testimony relating to the sale of Belair Financial stock to Redstone Securities. Third, a conspiracy initiated in June 1971 between Schiffman, Scheer, Kobrin, Hager and other named and unnamed brokers which is completely separate and distinct from either of the aforementioned conspiracies. The most significant overt act made in pursuance of the third conspiracy was a meeting at Kobrin's parents' home in June of 1971. The conspiracy planned to acquire enough Belair Financial stock to control the float and then to manipulate the price upward. Kobrin was promised payment of $1.00 or $1.50 for each share he sold to his customers. However, Mendlinger and Snyder had absolutely no participation in this third conspiracy. In fact, at this time, the conspirators believed that Mendlinger, Snyder, Inc. possessed sufficient amounts of Belair Financial stock which was "overhanging" the market (T.R.1075-1076) which, if purchased by the conspirators, would effectively allow them to control the float of the stock. However, as Scheer learned when he telephoned Snyder to try to arrange a purchase of this block of stock, the stock had already been sold to Redstone Securities This third conspiracy hoped that by buying the Mendlinger, Snyder, Inc. stock, they could withhold it from the market, push the price up and then blow it off. The most significant testimony regarding this third separate and distinct conspiracy appears at pages 1067 through 1077 (inclusive) of the

Trial Record (TR). As the Court itself ruled this testimony has been admitted on the conspiracy count against all the defendants and not on the perjury counts against Kobrin alone. TR 2537. Although the plot of this third conspiracy mirrors the plot of the first one, they constitute distinct transactions and involved some parties who were common to both plots, but some parties who were not uncommon. The Second Circuit has taken a definitive stand against the Government alleging one overall conspiracy and then proceeding to prove two or more separate conspiracies. United States v. Sperling, 506 F.2d 1323 (2nd Cir. 1974). In Sperling, the Second Circuit warned against future violation of the admonition it was making. In United States v. Bertolotti, _____F.2d_____(2nd Cir. 1975), a violation resulted in a reversal. It can hardly be said that the evidence admitted to prove the third conspiracy could not have influenced the jury in making its determination as to the conspiracy which was charged in the indictment. See United States v. Borelli, 336 F.2d 376 (2nd Cir. 1964); and United States v. Kelly, 349 F.2d 720 (2nd Cir. 1965), cert. den. 384 U.S. 947 (1966).

This request to amend will not prejudice the Government and could substantially prejudice the rights of defendants Mendlinger and Snyder. In a criminal case, the defendants should be allowed to make all arguments in their behalf, especially where final judgment has not been entered.

WHEREFORE, the defendants Edwin Mendlinger and Stanley Schildinger, a/k/a Stanley Snyder respectfully request this Court to allow them to amend their Motion for Judgment of Acquittal Notwithstanding the Verdict and, in the Alternative, For a New Trial as requested herein and that this Court grant such other and further relief as to this Court may seem just and proper.

Dated: New York, N.Y.
April 2, 1976

Respectfully submitted,

Bandler & Kass

By:_____
(A Member of the Firm)

Attorneys for Defendants
Edwin Mendlinger and Stanley
Schildinger, a/k/a Stanley Snyder

Office & P. O. Address
605 Third Avenue
New York, N.Y. 10016
(212) 972-1100

To: Robert B. Fiske, Jr., Esq.
United States Attorney for the
Southern District of New York
(Of counsel: Steven A. Schatten, Esq.
Assistant United States Attorney)
One St. Andrews Plaza
New York, N. Y. 10007

Index No. 75 Cr. 956 (CHH) Year 19

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

-v-

EDWIN MENDLINGER, STANLEY SCHILDINGER, a/k/a Stanley Snyder,
EDUARD SCHIFFMAN, DARRELL KOURTH and RONALD CAMPBELL,

DEFENDANTS.

MOTION TO AMEND AND SUPPLEMENT DEFENDANTS' MENDLINGER AND SNYDER'S MOTION FOR JUDGMENT OF ACQUITTAL NOTWITHSTANDING THE VERDICT AND, IN THE ALTERNATIVE, FOR A NEW TRIAL.

BANDLER & KASS
Attorneys for DEFENDANTS EDWIN MENDLINGER AND STANLEY SCHILDINGER a/k/a Stanley Snyder
605 THIRD AVENUE
NEW YORK, N. Y. 10016
(212) 972-1100

To:

Attorney(s) for

Service of a copy of the within *is hereby admitted.*

Dated:

Attorney(s) for

PLEASE TAKE NOTICE

☐ NOTICE OF ENTRY — *that the within is a (certified) true copy of a* *entered in the office of the clerk of the within named court on* 19

☐ NOTICE OF SETTLEMENT — *that an Order of which the within is a true copy will be presented for settlement to the Hon.* *one of the judges of the within named Court,* *at* *on* 19 *at* M.

Dated:

BANDLER & KASS
Attorneys for
605 THIRD AVENUE
NEW YORK, N. Y. 10016

To: Motions to amend & supplement granted. Cross motions for judgment of acquittal notwithstanding the verdict and, alternatively, for a new trial denied.

So Ordered: [illegible]

UNITED STATES DISTRICT COURT

A-91

SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,
-v-
EDWIN MENDLINGER,
STANLEY SCHILDINGER,
a/k/a Stanley Snyder
STUART SCHIFFMAN,
BARRETT KOBRIN, AND
BERNARD GRINDLINGER,
DEFENDANTS.

Docket Number 75 Cr. 956 (CMM)

HON. CHARLES M. METZNER
(District Court Judge)

NOTICE OF APPEAL

Notice is hereby given that STANLEY SCHILDINGER a/k/a Stanley Snyder appeals to the United States Court of Appeals for the Second Circuit from the [X] Judgment [ ] order [ ] other (specify) _____ entered in this action on April 23, 1976 (Date), and the two (2) orders entered in this action on April 19, 1976.

BANDLER & KASS
(Counsel for Appellant)

Address
605 THIRD AVENUE
NEW YORK, N.Y. 10016

Date April 23, 1976

To: ROBERT B. FISKE, JR.,
UNITED STATES ATTORNEY FOR THE
SOUTHERN DISTRICT OF NEW YORK
ONE ST. ANDREWS PLAZA
NEW YORK, N.Y. 10007
(OF COUNSEL: STEVEN A. SCHATTEN, ESQ.)

Phone Number (212) 972-1100

ADD ADDITIONAL PAGE IF NECESSARY

(TO BE COMPLETED BY ATTORNEY) TRANSCRIPT INFORMATION - FORM B

▶ QUESTIONNAIRE

[ ] I am ordering a transcript
[X] I am not ordering a transcript
Reason:
[X] Daily copy is available
[ ] U.S. Attorney has placed order
[ ] Other. Attach explanation

▶ TRANSCRIPT ORDER

▶ DESCRIPTION OF PROCEEDINGS FOR WHICH TRANSCRIPT IS REQUIRED (INCLUDE DATE).

Prepare transcript of
[ ] Pre-trial proceedings
[ ] Trial
[X] Sentence
[ ] Post-trial proceedings

The ATTORNEY certifies that he will make satisfactory arrangements with the court reporter for payment of the cost of the transcript. (FRAP 10(b)) ▶ Method of payment [ ] Funds [ ] CJA Form 21

ATTORNEY'S signature Bandler & Kass per [signature] | DATE April 23, 1976

▶ COURT REPORTER ACKNOWLEDGEMENT

To be completed by Court Reporter and forwarded to Court of Appeals.

Date order received	Estimated completion date	Estimated number of pages.

Date _____ Signature _____
(Court Reporter)

ORIGINAL

EXCERPTS FROM TRIAL RECORD CITED IN CONNECTION
WITH APPELLANT'S PRELIMINARY STATEMENT OF THE BRIEF

THE COURT: Mr. Gusrae?

MR. GUSRAE: Yes, your Honor.

THE COURT: All right.

Now, just address yourself to Counts 1 and 12.

MR. SHERR: Thank you, your Honor.

The basic concept which the Government must prove beyond a reasonable doubt, disregarding all the other elements involved and the crimes charged, is that there was an agreement entered into between Messrs. Mendlinger and/or Snyder and/or both and Mr. Schiffman and/or Perry Scheer and/or Kelly, Andrews.

The Government has contended that this agreement took place either in New York or in California, either in the end of 1970 or beginning of 1971, and that the agreement was between Mr. Schiffman and Mr. Snyder.

The Government has contended that after this agreement was made a conspiracy existed, and that the other defendants joined in the conspiracy.

If there was no agreement, there was no conspiracy. So the other defendants could not have joined it and the indictment must fall.

The testimony offered with reference to the agreement by Mr. Schiffman was to the effect that in California or in New York or both, he and Mr. Snyder came to an agree-

ment that Mr. Schiffman would come into the stock to rig the price of the stock or manipulate the stock, to promote the stock, and in return for which he would receive a share of the profits.

Taking it by itself, I would concede that this was prima facie evidence of an agreement which, if believed by the jury and believed by the Court, would be a basis upon which they could render a verdict, assuming that all the other elements of the crime were established.

But we must look to the credibility of the existence of the agreement. We have had testimony as to five versions of what this agreement was. Mr. Schiffman, who never testified -- I am sorry -- Mr. Schiffman, who did testify as to the supposed agreement, testified that the agreement was that in return for his manipulating the stock or moving the price of the stock up he would receive as a consideration and/or payment from Snyder and/or Mendlinger, Snyder half the profits over $3 a share.

B2 That statement by Schiffman in and of itself is incredible because if the Court were to consider the meaning of that statement, it would mean that the parties had entered into an agreement for a consideration for an illegal act which would be impossible to pay, in that there was no evidence or testimony as to at what cost basis

it would be applied to the stock.

If, for example, the stock was purchased from the original Transition Systems stockholders from anywhere from 75 cents to $1, $1-1/2 a share, it might make some sense, because then there would be a profit built in for Mendlinger, Snyder below the $3 item and above the $3 supposed dividing line.

But the testimony has shown that there were many shares of stock purchased by Mendlinger, Snyder in excess of $3 a share. In fact, purchases were made all the way up to $14 a share.

It was never contended -- I do not think it can possibly be contended -- that it was agreed that even though Mendlinger, Snyder paid $14 a share they would be giving Schiffman 50 per cent of their sales price over and above the $3 a share.

When Mr. Scheer testified and gave his first version of the agreement, which he said was an agreement that Schiffman had told him over $2.50 a share, your Honor questioned him closely on it because he was kind of confused as to what that was supposed to mean.

One time he testified. Your Honor asked him directly: You mean if the stock is sold by Mendlinger, Snyder for $3 you would get a quarter and Mendlinger,

Snyder would get a quarter? He said yes.

At another time he gave a different interpretation of what that meant. Neither one of them gave any credible explanation of what would happen if the stock, the cost basis of the stock, was over $2.50 a share. They all related to the agreement, all the versions said that if the sales price was over and above, in Schiffman's case, $3 a share, in Scheer's case, the first version, $2.50 a share.

So what I am saying is, with regard to the testimony given by Schiffman and Scheer, with reference to the supposed arrangements that I have previously mentioned, and the ones I am about to mention, that, as a matter of law, this supposed arrangement is incredible.

Pursuant to the authorities I submitted to your Honor this morning, in requests to charge, your Honor has a right to disregard testimony, as a matter of law, if he feels that it is incredible. I have cited some citations.

(Continued on next page.)

T2.B1

Getting back to the original concept, is there credible evidence of whether such an agreement actually took place? Taking aside the point, first of all, that such an agreement in and of itself is incredible by the nature of the terms of the so-called agreement, we have testimony by Schiffman that the agreement was 50 per cent of the profits over $3 a share. We have testimony that the agreement was 50 per cent of the profits over $2.50 a share; that the agreement was for 50 per cent of the profits over $5 a share; that the agreement was for 50 per cent of the profits over $5.50 a share; that there was no agreement to split profits but there was an agreement that they were to receive a large block of stock.

Now, the only place where Scheer cleared up an inconsistency is with respect to the $2.50 and the $5 testimony where he testified that originally the agreement was $2.50 a share, supposedly, but that it was then changed to $5 a share because Mendlinger, Snyder said they had certain expenses for public relations.

So, assuming that that is not contradictory, we still are left with four versions, Schiffman's version as to the testimony over $3 a share; version number one of Scheer where it was originally $2.50 and raised to $5; version number two of Scheer, where it was for over $5.50

a share; and version number three of Scheer to the effect that the agreement was with respect to a receipt of a large block of stock.

Now, I submit to your Honor that in evaluating that testimony a juror could make a determination in view of the conflict between the testimony given as to the contents of the alleged agreement that a reasonable doubt existed as to whether or not there was such an agreement at all, and I respectfully submit to your Honor under the case of United States versus Miller, decided by the Hon. Justice Jack Weinstein at 275 Fed. Sup. 314 in the Eastern District, whose views were adopted as well in the Second Circuit in the United States versus Taylor, 464 Fed. 2d 240, where the Court said that, "If the Court finds that a reasonable juror could have a reasonable doubt about the sufficiency of the Government's proof of any element"-- the emphasis is mine -- "any element of the crime charged, then the Court must dismiss" -- must, it didn't say may, it said -- "the Court must dismiss the indictment even though it leaves that a reasonable juror could also find the defendant guilty."

And I submit to your Honor that your Honor find that of these 12 jurors there would be one reasonable juror who could find that a reasonable doubt existed as to whether

mcjb 3

or not such agreement ever took place in view of the inconsistency of the statements, in view of the inconsist testimony about the nature of this so-called agreement, and in view of the various testimony of Government witnesses where they each called each other a liar.

THE COURT: Mr. Schatten.

MR. SCHATTEN: Would the Court prefer me to respond to each point?

I would submit that at this stage in the proceed ngs I would not even concede Mr. Sherr's straw man premise, which is that there must be an agreement as of prior to Mr. Schiffman's trip to California.

The Government's view would be that we have made out a prima facie case of agreement. We have certainly credible evidence that there was an agreement prior to Mr. Schiffman's trip to California and based on all of the other evidence adduced in the Government's direct case I think it is very clear that we have made out our burden on Counts 1 and 12 at this stage of the proceedings.

THE COURT: The motion is denied, Mr. Sherr.

MR. SHERR: I respectfully except.

THE COURT: Mr. Werner, do you want to argue?

MR. WERNER: Yes, your Honor. With the Court's permission, your Honor, I make an application to have

EXCERPTS FROM TRIAL RECORD CITED IN CONNECTION
WITH APPELLANT'S STATEMENT OF FACTS OF THE BRIEF

a public company. One way is to organize a company and sell stock to the public. Another way is to find a public company in which the public already has stock and acquire that company. There are a number of ways. There are any number of ways to acquire that type of company.

Q Try to answer that question about acquiring or --

THE COURT: The reason I asked the question is that you say you heard of the company back in May or June of 1970 and this meeting you are referring to took place in July of 1970.

I gather you knew of the company before Snyder did from the way your testimony has come out.

THE WITNESS: Let me say that I did not hear necessarily of Transition Systems, Inc. as of May or June. I heard of the concept of providing financial services to the physicians and that a public company would be acquired through which this process would be provided.

Q Would you explain now what you said to Mr. Snyder about acquiring the company?

A He located a shell of the principal shareholders of which he had agreed to issue new shares to the organizers of this financial services company.

Q What was the discussion at this meeting in July at Mr. Paul's office about the work that Mr. Snyder and his

brokerage firm would be doing in terms of getting the warrants?

A They were acting as investment banker for the firm, as a market maker. They would be providing financial and consulting services to the firm. Essentially those were the services.

Q What is a market maker?

A A market maker is a broker who attempts to maintain an orderly market in the price of a stock to avoid fluctuations. He does that by selling stock when there is heavy demand, heavy buying demand; buying stock when there is heavy selling demand in order to meet the demand and supply.

Q Let me show you what has been marked as Government Exhibit 34 for identification. Can you identify this?

A This is the corporate minute book of Transition Systems, Inc. whose name was later changed to Belair Financial Corporation.

MR. HOFETZ: May I approach the side bar?

THE COURT: Yes.

(Continued on page 69.)

ordinary income on which there is a great amount of tax, so as a result he doesn't keep a lot of money that he makes.

We had a concept which would permit the physician to realize the benefit of income that he generated through his own efforts. He could do that by paying the fees that he was going to pay under his contract [illegible]to a company in which he was a part owner. The income which he would generate would create earnings in that company and the earnings in that company would cause the value -- the stock that he was going to get to have value.

He ultimately at some point in the future could sell that stock because it then would have value, realize dollars that would be taxed at capital gain rates and in effect get the value in terms of dollars that would otherwise go for ordinary income taxes, and at the same timeget all the services that were provided and that he needed for his medical practice.

Q So, in other words, to make this concept attractive to make it work and to give the doctors what they wanted in order to get them to participate you would need a public vehicle; is that correct?

A Yes.

Q And as I understood the arrangement you had with

these doctors it was that they were going to transfer certain assets for certain corporations that they had individually formed into this public company in return for which they would get stock?

A Correct.

Q And lacking this public vehicle they wouldn't be able to get this company off the ground because the doctors wouldn't participate; is that correct?

A Yes.

Q And you thereupon began a search or the group that you were with began looking for a public vehicle which you could take over?

A Yes.

Q Do you know what a shell is?

A Yes.

Q Would you tell the jury what a shell is?

A A shell is a public company that is inactive, usually has no assets and no liabilities.

Q And that would also include a company that had been public and had gone bankrupt?

A Yes.

Q In searching for a shell it is always, is it not, important to find a shell that has no liabilities?

A Yes.

Q What we call in the trade a clean shell?

A Yes.

Q Was it important in getting this concept on the road to find a clean shell that the doctors would participate in?

A Yes.

Q When you discussed in your direct testimony your conversations with Mr. Snyder of Mendlinger, Snyder was that you were talking about when you were testifying merging with a public company?

A Yes.

Q And did Mr. Snyder undertake in behalf of Mendlinger, Snyder to find an appropriate shell or corporation?

A Yes, I believe they did.

Q For use by your group?

A I believe so.

Q Did he find such a company?

A Yes.

Q And that company was Transition Systems?

A Yes.

Q That company, to the best of your knowledge, had been declared bankrupt but was now a clean shell in that it had no assets nor liabilities?

A Yes.

Q Which was the type of company which would be ideal for your purposes; is that correct?

A Yes.

Q Then in acquiring a shell is it not the next step to negotiate with the current stockholders of that company to determine what position they would give up in the company and what assets you would put into the company?

A Yes.

Q Did Mr. Snyder undertake in behalf of the company to join the negotiations in behalf of your group with the group in Transition Systems?

A Yes.

Q And did he as a result of his efforts work out a deal where a subsequent merger was obtained between Transition Systems, the stockholders of Transition Systems and your group?

A Yes.

THE COURT: You speak about a merger. Did you have a corporation already in existence?

THE WITNESS: Technically it is not a merger.

MR. SHERR: I would withdraw that.

THE COURT: What happened?

THE WITNESS: What happened was that new shares were issued to new stockholders who then had a majority

interest in the company.

Q Instead of using the technical word merger, there was a transfer of shares from Transition Systems to the stockholders in the new group?

A Yes.

Q Would you say it is fair to say that Mr. Snyder arranged this transaction?

A Yes, I would.

Q That was through his efforts?

A Yes.

Q Did it take some time, his doing this?

A I think so. I was not involved in that aspect of it, but I do believe it did take time.

Q Do you know whether or not he was working on this matter for several months before he was able to put this through?

A I don't. I believe Transition Systems had already, when I came in --

Q You don't know what happened before you came in?

A No, I don't.

Q Do you know, as a matter of fact, Mr. Snyder or Mendlinger, Snyder or anyone in his behalf received any compensation or consideration for doing this work, for perfecting this merger?

A They received compensation from us.

Q From who?

A My group.

Q What compensation did they receive?

A Warrants that I previously testified to.

Q Other than the warrants, let's for a moment exclude the warrants, if you will, did they receive any compensation of any type either in shares or dollars or money or any kind of thing other than the warrants?

A Not to my knowledge.

Q They submitted certain invoices for expenses, did they not?

A Yes.

Q Some of those you disputed; is that correct?

A Yes.

Q Some of those you didn't dispute and paid?

A Yes.

Q If I may for the moment direct myself to one invoice that seems to have been brought to the attention of the Court, which was a letter that you read where you challenged the invoice where there was a visit by Mr. Snyder to California for the purpose of buying certain shares -- do you recall that?

A Yes.

under the old name. I don't want to get into it now, but if you're interested, get back to me and we'll set up another meeting."

Q Did there come a time when you had another meeting with Mr. Snyder?

A Yes, there did.

Q When was that and who was in attendance?

A It was about a week later. Mr. Scheer and myself went to Mr. Snyder's house for dinner.

Q When was that, as best as you remember?

A Approximately the second week of February, 1971.

Q What transpired at that meeting?

A Well, after dinner we talked further about what was then revealed to us as Transition Systems, which was about to be changed into Belair Financial Corporation. And at that meeting Mr. Snyder went into more details about the company and what the company did.

And he said that he had accumulated what he considered to be and could show to me or Perry Scheer substantially the free-trading float in the security, that if we were interested I could come out to California where he was about to go, to where the company was located, and look into the company to see

if we agreed or I agreed with him on the future of the company, the possible future of the company as a viable company.

He said at that time that should we be able to move the price of the stock up, produce a large amount of buying and eventually put away the amount of stock that he had gathered, in other words, resell it to somebody else or the public at higher price, that he would be willing to split the profits from that with us 50-50.

And we said to him, or I think Perry said to him, you know, "From where?" Because at that time, at that meeting, he told us that the stock was trading for less than a dollar.

And we said, "We are going to split the profits from that point."

And he said no, he had expenses in putting the deal together and what he suggested was using a cost price of $3 a share, and therefore anything over and above $3 a share would be split 50-50.

Q Was anything else discussed at this meeting?

A Well, Stan Snyder said he was going to California, and Perry and I said we like the idea, and if what he is saying is true, maybe we would be able

to get interested in it.

And I said I would call him or he should call me, and I would try and arrange to take a trip to California and meet him.

Q Did there come a time when you went out to California?

A Yes, there did.

Q When was that, as best as you can fix it?

A I believe it was in the last week of February of '71.

Q Did Mr. Snyder go out previous to that?

A Yes, he picked me up at the airport, so he was there before I was. I think he had been there for maybe a week before I was.

Q What transpired in your visit to California?

A Well, the following day, after I arrived, we went over to the office of the company, and at the office of the company I met some of the executives, I think the president and the man in charge of the insurance agency division of the company. And I spoke to them for a while, looked over the facility, talked to some of the people who were working there.

That afternoon we went and visited the accountant for the company, who was in charge of a

division which was the interesting division from a financial point of view of potential profit, which was something to do with being able to incorporate the non-medical side of a doctor's practice and take all of that daily business of buying and selling and billing patients and buying medicines, and the nonmedical functions of a doctor's practice of medicine, taking that out of his hands and having Belair Financial, for a fee, run that for him with computers and operate and do all of his billing and actually run his business other than the practice of medicine.

And I went -- that afternoon we went over to the offices of a man by the name of Potkin, who was an accountant, and had been in charge of setting up this computer operation.

Q What else occurred during your trip to California?

A The next day I had a meeting with the attorneys for the corporation. That was a gentleman by the name of Maslansky and a man by the name of Van der Velde, and we discussed the acquisition of the shell, the legality of it.

They displayed to me the various acquisition agreements, told me how they had done it, and how the

21st, 22nd, somewhere around there.

I told him at that time that --

Q Where was this meeting?

A At the office of Mendlinger & Snyder.

Q Tell the court and jury what occurred in that meeting.

A Well, I asked him if he had any figures on the amount of stock that he had lost so far that he ahd sold, and how much profit he had made for our so-called partnership at that time.

And he looked in his drawer at some piece of paper and he said, "Yes, I've got basically most of the figures to date."

I said, "Well, look, I'm not interested in everything right now. I don't really want to know. What I need now is $8000. I want to take care of something."

He said, "That is no problem. Who do you want me to make the check out to?"

And I said to him, "Check? I thought" -- well, the check sort of came as a shock to me because in my mind and in Scheer's mind at that time we thought we were going to get our share of the profits in cash.

And I said, "What do you mean, check?"

And he said, "Well, there is no way I can give you cash."

I said, "I thought that what it was about."

He said, "Logically, think about it. The stock that I have in the box is stock owned by my firm, and when I'm selling it out, the profits are being made by the firm and therefore it is taxable profits, and if I give you cash there will be nothing left for me."

And I said, "I can understand what you're saying, but I thought our deal was the opposite. Because I don't know how we can take checks and what we are going to do with checks."

And he said, "Well," he said, "I can give you a check, for instance, as an attorney because I can put it down as a legal fee."

And I said, "I don't want the check. You know, I don't want the income."

And he said, "Well, I can give Perry Scheer the check because he does mergers and acquisitions and I can put him down as a consultant on a deal."

And I said, "I don't think Perry will want a check either."

He said, "Well, look, that's what you have

to do. If I ... co give you money, you have to get me names of people that I can write checks to, like lawyers, accountants, people I can put down as a consultant, things in that area whereby I can show a deduction, a business expense on my books. That's the way I'll give you your money."

I was pretty upset about that because I didn't know how we were going to hand that.

I went back to Kelly, Andrews & Bradley. I told Scheer about it. He got upset. We went back to Mendlinger & Snyder. We had another conversation with Stanley Snyder.

MR. SHERR: Objection, unless he was there.

THE COURT: He said, "We went back."

MR. SHERR: I thought he said he went back.

THE WITNESS: I said "we."

MR. SHERR: I beg your pardon.

A And Stanley repeated the same thing really to Scheer. He asked Perry if he wanted a check, he'll put him down as a consultant."

He said, "I don't want a check."

And we left, and we were upset about it but we realized what he was saying from his point of view made sense.

Well, I called Grindlinger I think the same afternoon and I told him that afternoon and I told him that I can get him is $8000 but he would have to give me the name of an accountant or an attorney. That would be the only way, if he had a friend or somebody that would be willing to take the check and give it to him, that I could get him the money and he said he would call me back.

Q Did there come a time when you had another telephone conversation with Mr. Grindlinger?

A The next day, I think it was, and he gave me the name of an attorney by the name of Markowitz, Lewis Markowitz. He said that he's an attorney and a check could be made out to him.

And I said fine.

And the next day I think I called him up and told him to come up to New York, if he can, the follwoing day, and pick up his check.

Q I want to show you what has been marked Government's Exhibit 9. Can you identify this particular check?

A Yes.

Q What is it?

MR. HAFETZ: Excuse me. Is it being

dha Schiffman-cross

A I don't believe I was asked when the first time was that I met Mr. Snyder.

Q When was the first time you met Mr. Snyder?

A I think in the early fall of 1970.

Q At that time was Belair discussed at all?

A No.

Q What were the circumstances of your meeting with Mr. Snyder in the fall of 1970? Were you introduced by somebody?

A Yes.

Q By whom?

A Perry Scheer.

Q That was Mr. Scheer. Was he employed by you at that time?

A He wasn't employed by me, no.

Q Was he employed by another broker?

A No, he was an officer of Kelly, Andrews & Bradley, as I was, but --

Q Oh, I'm sorry. You were employed with the same firm, Kelly, Andrews & Bradley?

A Yes.

Q And he introduced Mr. Snyder as what?

A A friend of his who was in the brokerage business.

with Mr. Hager concerning Joseph Klein?

A Yes.

Q When was that?

A In that month of May.

Q What did Mr. Hager say to you and what did you say to him at that time?

A He told me that Joseph Klein was at the office of Kelly, Andrews & Bradley and that he also completed his transaction with Perry Scheer.

Q I show you what has been marked in evidence as Government's Exhibit 6F. Can you tell me who that check is made payable to?

A Yes. American Friends of NNMC.

Q Is that the institution with which Rabbi Klein is affiliated?

A Yes.

Q Directing your attention now again to Government's Exhibit 7A through 7G in evidence, can you please tell the Court and jury what is now printed on those documents which was not printed at the time you first saw them?

A Yes.

THE COURT: Printed or typing?

MS. CUSHMAN: Typed, I beg your pardon, your Honor.

A Yes, there is typed in journal advertisement, $25,000 on Marbeatze Torah's statement; there's typed in on Yeshivat Beth Shearim advertisement 1971; advertising in Beth Shearim Journal, $20,000; on Congregation Bais Avroham, advertising bill for 1971; advertising in Congregation Bais Avroham Journal, $20,000, advertising bill for 1971; advertising in Congregation Journal for Yeshiva Beth Samuel, $10,000; Chevre Liady Nusach Hoary, advertising, $10,000; Yeshiva Lemetzuyanim, advertising bill for advertising in Your Yeshiva Journal, $10,000; American Friends of NNMC, advertising for 1971, advertising in Our Journal, $10,000.

Q Mr. Peltz, to your knowledge did any of these yeshivas have any journals during that period of time?

A Not to my knowledge.

Q Was any advertising ever placed in any journal during that period of time?

A Not to my knowledge.

Q Did you ever request that any advertising be placed in any such journal on behalf of Mendlinger and Snyder?

MR. SHERR: Objection. There is no proof that he ever acted in behalf of Mendlinger, Snyder.

THE COURT: As of yet we do not have any.

MS. CUSHMAN: I believe, your Honor, that the documents to which he now refers have references to Mendlinger, Snyder and advertising on behalf of Mendlinger, Snyder.

THE COURT: That is true.

MS. CUSHMAN: I am simply asking him whether he requested any such advertising be placed in the yeshiva journal.

THE COURT: I will permit it.

Did you?

THE WITNESS: No.

THE COURT: No.

Q Mr. Peltz, what is Trans Fiduciary Fund?

A It was a company that Perry Scheer told me to have the investment from the rabbis -- make out checks to Trans Fiduciary Fund. That's an investment that the rabbis were making.

Q Did the rabbis or the yeshivas ever get any stock pursuant to this arrangement?

A No, not to my knowledge.

Q Mr. Peltz, have you ever been convicted of a crime?

A Yes.

Q When was that?

A I believe in 1973.

Q What was the nature of the charge?

A Conspiracy in a stock fraud?

Q What was the name of the stock that was involved in that?

A All State Metal Company.

Q Were you convicted after a trial or did you plead guilty?

A I was convicted after a trial.

Q Have you been indicted in other cases?

A Yes.

Q What are the charges involved in those cases?

A Also conspiracy and stock fraud.

Q When were those indictments returned?

THE COURT: How many?

THE WITNESS: Two; Lady Goldie Bracelet and Knapp Industries.

THE COURT: What were you charged with in those?

THE WITNESS: Conspiracy and stock fraud.

Q When were those indictments returned?

A They were dismissed by the Government.

Q When were they first filed?

A What's that?

Q When were the indictments first filed?

Q Who is Perry Scheer?

A When I was working as a finder I was introduced to Mr. Scheer who was presently working for Kelly, Andrews & Bradley.

Q Directing your attention to May of 1971, were you contacted by Mr. Scheer in connection with a particular transaction?

A Yes, I was.

Q When was that and can you describe the transaction?

A It was in the beginning of May. I had been working with Perry trying to do some deals with companies and he asked me if I would like to earn some money as a finder and at that time I said yes.

Q Then what did you do after that?

A We met a day or two after and he explained to me what he would like me to do and I said yes. At that time he said, "I would like you to pick up a check for $25,000 and have it cashed and for that you will receive $500."

And I said, "Yes."

Q Did he tell you anything further about what he would ask you to do?

A We met a day or two later, at his office at Kelly, Andrews & Bradley, and from there we went to Mend-

linger and Snyder, on Broadway, where I signed a letter stating that I was a finder and also received a check for $25,000.

Q If I can go a little more slowly with you, when you went to the office of Mendlinger, Snyder did you meet anybody there at those offices?

A To the best of my knowledge, I met Mr. Snyder.

Q Do you see Mr. Snyder here in Court?

A I don't really recall what he looks like.

Q I show you what has been marked Government's Exhibit 8A in evidence.

A This is the letter I had signed that day.

Q Is this a copy of the letter?

A Yes it is.

Q Is that your signature on the letter?

A Yes, it is.

MS. CUSHMAN: Your Honor, may I read the letter to the jury?

MR. SHERR: May we have it marked in evidence?

MS. CUSHMAN: It is marked in evidence, pursuant to stipulation.

(Ms. Cushman reads to the jury from Government's Exhibit 8A in evidence.)

Q You said you received a check when you went to

courtroom can hear you.

How are you currently employed?

A Demolition business.

Q Did there come a time when you spent a lot of your day or most of your day at Kelly, Andrews & Bradley?

A Yes.

Q During what period of time was that?

A '70-'71.

Q Do you know a gentleman by the name of Stanley Peltz?

A Yes.

Q Who was Mr. Peltz during that particular period of time?

A He was my partner at that time.

Q He was also in the trucking business with you?

A Yes.

Q Who was Stuart Schiffman during that period of time?

A President of Kelly, Andrews & Bradley.

Q Who was Mr. Perry Scheer at that particular period of time?

A Vice president of Kelly, Andrews & Bradley.

Q Was he also a registered representative of Kelly, Andrews & Bradley?

A Yes.

Q I want to direct your attention to late April or early May of 1971. Did there come a time when you had a conversation with Mr. Perry Scheer at that particular period?

A Yes.

Q Would you tell the Court and jury what Mr. Scheer said to you and what you said to him in that conversation?

A Mr. Scheer asked me --

Q Can you keep your voice up?

A Mr. Scheer asked me if I could find some religious institutions that would accept checks from a brokerage house and return cash for the checks.

Q Did he tell you how it was that the checks would be coming from the brokerage house and what brokerage house was involved?

A Yes. He said that the checks would be coming from a brokerage house called Mendlinger & Snyder, and it would be certified checks.

Q Did he tell you how it was that those checks had been coming?

A Yes. He said a brokerage house owed him a lot of money and that was the only way he could take that money out of the brokerage house.

Q Tell us more about the conversation.

MR. SHERR: Assuming there was more.

Q If there was anything else, tell us what else occurred.

A Well, he said to me that there was a stock called Belair Financial which they were partners in.

Q When you say "they" --

A Mendlinger, Snyder and Kelly, Andrews. And there was a substantial amount of profit made on that stock.

The only way he can take that money out would be by issuing a check to some institutions and get the cash back.

(Continued on next page.)

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Q What did you tell Mr. Scheer in response to that?

A I said I would try to find some institutions for him.

Q What did you do thereafter?

A I came back the following day and said I couldn't find any institutions that would be interested in accepting those checks.

Q Did you have a further conversation with Mr. Perry Scheer at that particular time?

A Yes. He asked me if perhaps my partner, Mr. Peltz, could have some institutions that could accept checks. I said I would talk to him.

Q What occurred then?

A I talked to Mr. Peltz, Mr. Peltz came over and met Mr. Scheer and said he would try to find some institutions. He came back a day later and said he had found some institutions that would accept certified checks and return cash for it.

Q Was there a conversation between yourself, Mr. Scheer and Mr. Peltz about what it was a religious institution would have to do in return for getting checks?

A Yes.

Q Was there also a discussion about how much the

rmjb 2 Hager - direct

checks would amount to --

THE COURT: First exhaust his recollection and then you may do what you are doing.

Q Do you recall anything else about the conversation?

A Yes. The conversation went as follows: Mr. Scheer told Mr. Peltz that he would give the institutions 10 per cent for cashing those checks and that he would give him 5 per cent as a finder's fee.

Q Who would --

A Mr. Scheer would give Mr. Peltz 5 per cent as a finder's fee for bringing in the institutions.

Q What else would the religious institutions have to do?

A They would have to give receipts for the amounts of moneys they received, saying that this is for advertisement.

Q What occurred thereafter?

A A day later Mr. Peltz came back with some blank receipts from the institutions and handed them to myself and Mr. Scheer.

Q I show you what is in evidence as Government's Exhibits 7A through 7G. Can you tell us are those the receipts you are referring to?

A Yes.

Q What form did they take at the first time you saw them?

A Blank.

Q Would you tell us, as far as you know, how it happened that they came to have typing on them?

A I am not sure who typed them, but it was either First New York Equities or Kelly, Andrews & Bradley or at Mendlinger, Snyder's office that they were typed.

Q What happened after you received the receipts?

A After we received the receipts, myself, Mr. Scheer and Mr. Peltz and Mr. Messinger went to the offices of --

THE COURT: Who?

THE WITNESS: Mr. Messinger.

THE COURT: Mr. Messinger was with you?

THE WITNESS: Yes.

A We met at the offices of Mr. Mendlinger and Snyder and we received, I believe it was, three checks. Mr. Scheer handed me three checks and asked me to go to the bank with Mr. Messinger and get them certified.

MR. SHERR: May we have time and place?

THE COURT: Do you know when this happened?

THE WITNESS: I would say approximately May 11th.

Q You referred to the fact that there was a total of $100,000 in checks altogether issued, is that correct?

A Approximately, yes.

MR. SHERR: I am sorry, I was talking; could I hear the last question and answer?

THE COURT: $100,000 in checks were issued.

Q On the day that you went to Mendlinger, Snyder, did you have all of the $100,000 in checks issued by Mendlinger, Snyder?

A I believe that I picked up -- that I received three checks that day and I went to certify them.

Q I show you what has been marked as Government's Exhibits 6A through 6G. Would you tell the Court and jury what checks, if you can, the best you can identify them -- what checks you received?

A One check for $10,000, made out to Chevre Liady --

Q Why don't you refer to it by check number?

THE COURT: This number over here would be very helpful to us (indicating). 6E?

THE WITNESS: 6E.

A Another check for $10,000, 6D. I only see two checks here.

Q Does that refresh your recollection on how many checks you may have had?

A Possibly it was only two.

Q What, if anything, did you do at the time after you got those -- I am sorry -- when you were at Mendlinger, Snyder did you see anybody on the premises at the time?

A I was waiting in the waiting room and I saw Mr. Mendlinger and I saw Mr. Snyder go through but I didn't talk to them or anything.

MR. SHERR: I can't hear the witness, your Honor.

THE COURT: Keep your voice up.

A I was in the waiting room and I saw both Mr. Mendlinger and Mr. Snyder going back and forth, from one office to the other, but I didn't engage them in any talk.

Q Do you see Mr. Mendlinger in the courtroom today?

A Yes.

MR. SHERR: Identification conceded, likewise with Mr. Snyder.

Q What did you do after you received the two checks you have referred to?

A I went to the bank with Mr. Messinger and certified the checks.

Q What did you do thereafter?

A I went to the offices of Kelly, Andrews & Bradley and gave the checks to Mr. Scheer.

Q With respect to the total of $100,000 in checks,

did you have further conversation with Mr. Scheer and/or Mr. Peltz about what occurred with respect to the proceeds?

A Yes. I talked to --

MR. SHERR: Time and place, please?

Q As best you can fix it.

A I talked to Mr. Scheer at the offices of Kelly, and I talked to Mr. Peltz at the offices that we had partners, and they both told me it was a total of $100,000, approximately, that --

MR. SHERR: May we have when this took place?

Q As best you can.

A Around May of '71. They both told me there was a total of $100,000 of checks --

Q Please keep your voice up.

A There was a total of $100,000 of checks that would have to be cashed.

Q Did they tell you approximately how much Kelly, Andrews & Bradley or Mr. Scheer would get with respect thereto?

MR. SHERR: Excuse me. If I understood the question, it was did they tell him --

MR. SCHATTEN: How much they received out of those $100,000 in checks.

MR. SHERR: Who is "they"?

THE COURT: Scheer and Peltz.

Q Did Mr. Scheer tell you how much he received with respect to those checks?

A Yes. He told me he received all of the money he was supposed to have received according to the agreement he made with Mr. Peltz.

Q In other words, $90,000?

A Right.

Q Is that correct, or am I mistaken?

THE COURT: Wait a second. You asked him a question and he gave you an answer.

Q May I ask you again, did Mr. Scheer tell you how much he received?

MR. SHERR: He just asked that question and got an answer.

THE COURT: I will let him answer it again.

A Yes. Mr. Scheer told me he received $85,000.

Q What did the $15,000 reflect?

A 5 per cent and 10 per cent, 5 per cent for Mr. Peltz and 10 per cent for the institutions.

Q Were your offices when you were partners with Peltz located near a brokerage firm?

A Yes.

Q What was the name of that brokerage firm?

asked him to sell the stock at a price of $12-1/2 and Grindlinger sold 4500 shares with a settlement date of May 7th at $12-1/2.

Q To whom did he sell the stock?

A Kelly, Andrews & Bradley.

Q The settlement date was May 7th and the trade date was when?

THE COURT: How many shares?

THE WITNESS: 4500, your Honor.

THE COURT: What date was the trade date?

THE WITNESS: I believe the 1st or the end of April, the 31st -- seven days, whatever the calendar break was.

Q April has 30 days, is that correct?

A April 30th.

Q The 30th of April was the sale, is that correct?

A Right.

Q You referred to Mr. Grindlinger. Did you have occasion to bring in any buyers into the Belair Financial situation?

A Yes, I did.

Q Will you tell us about some of those?

A I brought in Mr. Kobrin.

Q Do you see Mr. Kobrin in Court today?

A Yes.

Q Would you point him out to the Court and jury?

A (Indicating.)

MR. SCHATTEN: Let the record reflect the witness has identified Mr. Kobrin.

Q How long have you known Mr. Kobrin?

A Many years.

Q How old were you when you first met Mr. Kobrin?

A I guess about 23 years.

Q Pardon?

A About 23 years, more or less, I am not sure.

MR. GUSRAE: I couldn't hear that.

THE WITNESS: 23 years of age or less, I am not quite sure.

MR. GUSRAE: That is when you first met Mr. Kobrin?

THE WITNESS: That was the question.

THE COURT: That was the question.

Q You have known him for a good number of years?

A Correct.

Q As of the spring of 1971, is that correct?

A Right.

Q Would you tell the Court and jury what discussions you had with Mr. Kobrin -- the first discussion you had with him with respect to Belair?

MR. GUSRAE: Can we get a date and place?

Q Try to fix that as best you can, Mr. Scheer.

A I am not sure -- the place would be Kelly, Andrews & Bradley, but I am not sure of the date. It could be late March, early April.

Q Late March or early April of 1971?

A Right.

Q Tell the Court and jury was it a personal meeting or telephone conversation?

A It was a telephone conversation and I was asked what stocks Kelly, Andrews & Bradley favored at this time or was involved with, and I mentioned to him Belair Financial and I told him that Kelly, Andrews & Bradley was doing a lot of retailing in the ttock and the stock had moved sharply and probably could go higher.

At that point he said he would buy securities or stock in Belair Financial for some of his customers.

Q Pardon?

A He said he would buy stock in that security for his customers.

Q Was there anything else said in this conversation with respect to Belair Financial at that time?

THE COURT: We will adjourn for lunch until 1:40 p.m.

(Jury leaves courtroom.)

MR. KATZ: Your Honor, I wish your guidance in terms of responding to the subpoena duces tecum.

THE COURT: I don't give you any guidance. You are a lawyer. There is the Government (indicating). You talk to them and if you have any problems you know how to do it; not by sending me a letter by hand when I am in the middle of a trial.

(Luncheon recess.)

AFTERNOON SESSION

1:40 p.m.

(In the robing room.)

MR. SCHATTEN: Your Honor, during the luncheon recess we found the transcript in the case of United States V. Salvatore Cioffi, 72 CR. 1078, in which the witness Scheer testified.

The document is voluminous and we did excerpt -- I mean, we indicated by paper notations portions of Mr. Scheer's direct and cross examination, in which Mr. Scheer's arrangement with the Government was discussed.

I would like to at this time turn over the original to Mr. Sherr for his use, and he can turn it over to counsel in t[illegible].

The pages are 233 to 248 and continuing from 318 to -- it once again begins at 318 and there is also additional references on 349. The portion beginning at 318 continues on et seq., 318 et seq., and also again begins at 349, continues to 351, and there is also a reference at 355.

THE COURT: 318 goes how far?

MR. SCHATTEN: That is what I am trying to ascertain. My impression is it goes all the way to 349.

MR. SHERR: And starts again at 349.

MR. DOONAN: The direct testimony is not very long at all.

THE COURT: We have that in the record. We want to know the cross.

MR. DOONAN: The cross is quite extensive and it is off and on through a number of pages.

To be fair with the gentlemen, I would suggest that they read everything from page 318 through page 355, inclusive. They go back and forth to the arrangement.

I didn't have really that amount of time to read this thing extensively at lunch. I did the best I could.

THE COURT: Who represented him in that case?

MR. DOONAN: Mr. Sagor represented the Government.

THE COURT: Who represented the witness?

MR. DOONAN: Mr. Scheer is the witness.

THE COURT: All right.

MR. DOONAN: This is the only criminal proceeding that Mr. Scheer testified in, to my knowledge.

MR. SHERR: I believe there was some mention about a civil SEC proceeding.

THE COURT: That was the one that Mr. Kobrin said he had and would show you.

MR. SHERR: He said he would give it to Mr.

dhjb 3

Schatten.

THE COURT: He said he could show it to you outside, on the record. He said in the courtroom outside he would give it to you. You were standing there.

MR. SHERR: I did not get it.

THE COURT: He said he would give it to you. That is not my problem, to follow up what you are supposed to get, my friend. He, in the courtroom, said he had it and would furnish it to you. So do not come in and say you do not have it. It is up to him.

MR. SHERR: It is the truth.

THE COURT: It is your problem. Do not bother me with it and do not bother the record with it.

MR. HAFETZ: Will we have an opportunity to read this?

THE COURT: You will. We will have a recess when he finishes the direct examination.

MR. SHERR: If your Honor please, Mr. Doonan has said that he has not had a chance to look through it to know whether or not that is all the material that is pertinent, 318 to 355. There may be other material in there, and I would like an opportunity to look through it. It is a rather voluminous transcript and I will need more than a few minutes to do it. Or, have Mr. Doonan look through it.

THE COURT: While you are outside finishing this man's direct, why don't you go through beyond page 355?

MR. DOONAN: Yes, your Honor.

THE COURT: All right.

MR. SHERR: I understand that there may be some testimony in there about his involvement in other crimes, and I think that is pertinent 3500 material.

(Continued on next page.)

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THE COURT: Involvement in other crimes?

MR. SHERR: Yes.

MR. DOONAN: That is correct, your Honor, and when I gave you those pages, I indicated that information is in those pages.

MR. SHERR: Oh, it is in those pages.

MR. DOONAN: Yes.

THE COURT: Okay.

MR. SCHATTEN: The only other point that I guess might come up this afternoon is the Kobrin testimony. Once again, our intention is we are willing to go along with Mr. Gusrae to the extent of obviously alluding to the rights of which Mr. Kobrin was advised in the grand jury.

Our position essentially is that, under the doctrine of completeness, we prefer to read only those portions which directly relate to the perjury counts.

THE COURT: That's what you want to read?

MR. SCHATTEN: That's correct.

THE COURT: His application is for me to let him read and I gather you are opposing it.

MR. SCHATTEN: That's correct.

THE COURT: I obviously disagree with you so far on some. Some he can read, some he

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can't read.

MR. SCHATTEN: Fair enough, your Honor.

THE COURT: By the time you are ready to do it, we will have it.

I understand the jury is outside. It's 2 o'clock. Let's get on with it.

(In open court; jury present.)

P E R R Y J O E L S C H E E R resumed.

MR. SCHATTEN: May I proceed, your Honor?

DIRECT EXAMINATION CONTINUED

BY MR. SCHATTEN:

Q Mr. Scheer, I believe when we were concluding the noon recess I had asked you about your first conversation with Mr. Kobrin in connection with his purchasing shares of Belair Financial. You told the court and jury --

MR. GUSRAE: Your Honor, please, I don't believe he is entitled to comment on the testimony tne way he has.

THE COURT: I just [illegible] he was summarizing where we were. I don't see any objection to it.

Q Is there anything else you would like to tell the court and jury about the first conversation you had with Mr. Kobrin in respect to Belair Financial?

A No.

Q Did there come a time when you had a second conversation with Mr. Kobrin with respect to Belair Financial?

A Yes.

Q As best as you can, fix it. When was that?

A About a week or two from the first conversation.

Q Would you tell the court and jury, was that a personal meeting or was it a telephone conversation?

A It was a telephone conversation.

Q Please tell the court and jury what you said to Mr. Kobrin and what he said to you.

A To the best of my recollection, it was a telephone conversation I was on at the premises of Kelly, Andrews & Bradley.

Q Keep your voice up louder, please.

A And Mr. Kobrin informed me that he started to buy shares of stock in Belair Financial, and that if it looked promising he had additional buying power, whereas he can buy more of these shares of Belair.

Q What did you say to him?

A I said it looked promising and I would check

dha Scheer-direct 1069

with Schiffman. And I told Schiffman about my conversation with Mr. Kobrin, and he said I better go out there and make sure I sell some stock to him; make sure he buys some more stock, the stock was under some pressure.

Q Did there come a time when you spoke with Mr. Kobrin once again about Belair Financial?

A Yes. I called him to set up a meeting.

Q What was said in that conversation?

A I told him I would like to come out to talk to him about Belair Financial.

MR. GUSRAE: Could we have the time on that, please?

A About two weeks after he bought the first shares of stock.

THE COURT: What was that call, in relationto the telephone call you just related, where he said he had been buying some and if it looked promising you should buy more?

THE WITNESS: In relation to the time, your Honor?

THE COURT: Yes.

THE WITNESS: I said it was about a week after.

THE COURT: Now, that's the second call.

Now, you started talking about a third call?

THE WITNESS: Yes, sir.

THE COURT: How long after the second call did the third call come?

THE WITNESS: Either the same day or the next day, your Honor.

Q What was said in this third conversation?

A I said I would like to come out to talk with him further about Belair Financial, and he said he would see me and I should come out to his office.

Q Did there come a time when you had occasion to go to Mr. Kobrin's office?

A Yes.

Q Tell us what occurred thereafter?

A Mr. Hager drove me out to Mr. Kobrin's office in New Jersey and we met in his office and then I believe we went to a local hamburger place outside the premises to discuss the situation.

Q What was said in that connection?

A I gave him as much background as I could about the Belair Financial stock --

Q What did you tell Mr. Kobrin?

A That the stock had moved up sharply and that large buyers were being approached to buy additional shares of stock, and that he could make some money himself for buying the stock and his client could make money buying the stock.

Q Would you further elaborate on how much Mr. Kobrin would get for himself?

A I told him between a point and a point and

a half in cash per share of stock purchased.

THE COURT: Wait. Are you talking about Kobrin buying stock and holding it while the stock goes up and then selling it and making a profit, or are you talking about giving Kobrin money to buy stock?

THE WITNESS: I am talking about giving him money to buy stock for himself and after it moved up,his customers selling the stock at a higher price.

Q The money would be given to Kobrin in connectionwith putting his customers in the stock?

A Yes.

MR. GUSRAE: Your Honor, could I have the last answer read back?

THE COURT: Yes.

(Answer read.)

THE COURT: Start it all over again. You went out to Kobrin's office?

THE WITNESS: Yes, sir.

THE COURT: What did you say to him specifically? Because so far what you have said is gobbledygook. I don't know whether you are giving him money so that he could buy stock with it --

THE WITNESS: I see. I offered him for

compensation for having his customers buy stock, compensation to himself --

Q How much did you offer him?

A Between $1 and $1.50 per share of stock purchased by him for his customers.

Q That is for each share he bought for his customers he would get $1 or $1.50 cash?

A Yes.

Q What did Kobrin say to you?

A Yes.

Q What did Kobrin say to you?

A He wanted to know how high the stock could go where his customers could receive a profit, and I said I believed between $20 and $22 a share, and he wanted to know the timing of the stock as far as when they could sell it, and I said, "Short term."

Q Was anything else said in that discussion?

A I told him it was a thin float and any buying should move the stock higher.

Q Anything else said in this conversation?

A I don't recall.

MR. GUESRAE: Your Honor, could we have a date as to this conversation?

THE COURT: He has given you that date.

It was a day after Kobrin called him the second time.

Q Did Mr. Kobrin, to your knowledge, purchase additional shares?

A Yes.

THE COURT: Kobrin purchased additional shares or customers purchased additional shares?

Q Were additional shares purchased by Mr. Kobrin for his customers, to your knowledge?

A Yes.

Q Did there come a time in the summer of 1971 when you had occasion to confer with Mr. Stanley inside about the purchase of a large block of stock?

A Yes.

THE COURT: Summer of 1971 could be June, July, August, September.

Q In June of 1971, with respect to the purchase of a large block of Belair stock.

A Yes.

Q Will you tell us about that conversation?

MR. SHERR: Place, please? Is this the telephone conversation?

THE WITNESS: Yes.

A I called Mr. Snyder regarding the last block of stock that Mendlinger, Snyder had in their

offerings?

A Yes.

Q Had you set up certain deals in California and made certain contacts there?

A Yes, sir.

Q Were any of those that you told us about situations which occurred in the State of California?

A Yes. Shortly after Mendlinger, Snyder started actively in business I received a call from the chairman of the board of International Industries, Mr. Al Lapin. Their headquarters are in California.

He asked me to kindly come out to California right away. He wanted to talk to me. And upon arriving there we had a meeting and he advised us that he was unhappy with the results of the cosmetic division and since I had been the one who sold Polly Bergen to him initially, he would appreciate, discreetly, if I would look around for somebody else that I could sell it to. He would like to divest himself of the company.

Q Did you undertake to do that for him?

A Yes, I worked very diligently in his behalf.

Q Was this company on the New York Stock Exchange?

A Yes.

Q It was a rather large company with several hundred

millions of dollars?

A Yes.

Q In the course of your activity in California, did you meet a number of people that were involved either in various listed companies or brokers in that area of acquisitions and mergers?

A In mergers and acquisitions, not brokerage firms per se.

Q You didn't know any brokerage firms at that time, but you knew people in various companies in California?

A We had gotten a lot of exposure which the Polly Bergen Company brought me, a lot of exposure.

Q When you say exposure, you mean that you received credit for putting that deal together and the word got around?

A That is correct.

Q Did there come a time when you were contacted with reference to what we now know as the Belair situation?

A Yes, sir.

Q What was your first, your initial contact with respect to this situation?

A I believe July of 1970 I had occasion to meet Mr. Malcolm Harris who was an associate of Mr. Arthur Maslansky.

Q Where did you meet him?

A At their office.

Q In California?

A Yes, sir.

Q Will you describe how it came about that you were in their office in California?

A Well, as I mentioned before, I had gotten an awful lot of exposure in California and had many people every time I was out there always seeking to make an appointment to get to see me for a few moments on a deal or some sort of financing that they would like me to do for them.

At that time I was mainly going back and forth working with International Industries trying to work out a situation for the Polly Bergen Company.

During the trip at that time one of the people who would bring deals to me to handle for them introduced me to Malcolm Harris.

Q Did you have a meeting with Malcolm Harris at that time?

A Yes, I did.

Q To the best of your recollection, when did that meeting take place?

A Approximately July 1970.

Q Who else was present at that time?

A Initially nobody, just me.

Q Will you tell us what was said at that meeting?

A Not very much. I introduced myself to him. He seemed to get all excited. He said, "You have to meet my partner," and that was about it.

Q Who said, "You have to meet my partner."?

A Mr. Harris.

Q Was he referring to Mr. Maslansky?

A Yes, sir.

Q Did there come a time when you met Mr. Mas sky?

A Yes, I did.

Q When and where did you first meet Mr. Maslansky?

A That same day about an hour or two later when Mr. Maslansky came back to the office.

Q Was his office there in California?

A Yes.

Q Where in California was this?

A Beverly Hills.

Q Did you then have a meeting with Mr. Maslansky?

A Yes, sir.

Q Was there anybody else present at the time you had that meeting?

A I believe his partner, Mr. Van der Velde was

present.

Q Now, to the best of your recollection, tell us what you said and what he said to you.

A Mr. Maslansky told me that he had heard about me and several of the situations that I had consummated in California, particularly the Polly Bergen Company, and he started to tell me about a concept that he was all excited about and would like to implement, and he needed somebody's assistance, like myself.

And he was referring to Belair Financial Corp.

Q Did he tell you what the concept was?

A Yes, he did.

Q What did he tell you about the concept?

A He said he had a client at that time named Walter Paul Associates, the head of the firm obviously being Walter Paul, which was an insurance agency servicing approximately 250 doctors.

Q Complete your statement.

A The concept of the company was to have a physician and a dentist later on, but initially have a physician incorporate the non-medical portion of his practice, which would encompass all laboratory fees and a lot of the work that he sent out, and set up a professional corporation for that purpose.

Belair Financial would provide some of the following services to that doctor: Do all his purchasing, all his billing, all his collection of accounts receivable, take care of all his financial planning and handle all his insurance, hire an insurance subsidiary which was to be set up, all his taxes, plan a complete range of financial services to the physician. That was what the initial stage was.

The further idea is that when the company was successful, within a few years we would have more than enough doctors to set up our laboratories, to have our member doctors send out too for their own blood tests, and so on and so forth, and the scope just continued to magnify and was dependent on how many doctors we got.

(Continued on next page.)

Q Did they indicate at that time how many doctors Walter Paul was involved with?

A Yes, sir.

Q How many was that?

A They said presently they were servicing approximately 250 doctors.

Q Was there any conversation at that time about how many doctors had committed themselves to joining this company?

A I believe they claimed they actively had 14 of the leading physicians in southern California, but Mr. Paul and Mr. Maslansky, based on Mr. Paul's representations, said that a very minimum of 100 of the 250 doctors would be quickly acquired by Belair.

Q Now, would that have generated income for Belair?

A Enormous.

Q How were these professional corporations to get into Belair; how would the mechanics work?

A Belair would have to have a public company. The public company would exchange stock with the doctor. For example, 50,000 shares would be allocated from the public company to the doctor in turn for, let's say, 100 shares which would represent 100 percent of his particular private corporation. He would then own shares in Belair

is trying to prove?

MR. SCHATTEN: Go ahead.

Q Is it a fact that you never obtained any advertising?

A That's correct.

Q Is it a fact that you never knew any of these temples before you spoke to Mr. Schiffman?

A That's correct.

Q And that you had never met Mr. Messinger before Mr. Schiffman introduced him?

A That's correct.

Q Is it further a fact that Mr. Messinger never rendered any services for you?

A That's correct.

Q There came a time in the early part of 1972 when you appeared at the U. S. Attorney's Office?

A Yes, sir.

Q Before that time, during the entire year 1971, in any conversations you had with Schiffman, Sheer or anybody else in the business, did anybody ever mention to you that the stock, this 40,000-share block which Schiffman claimed that he arranged the sale of, was being sold to a mutual fund?

A Absolutely not.

Q Did you know it was being sold to a mutual fund?

A Absolutely not.

Q Did you know that there was supposed to be a man named Yamada who was supposed to be selling and buying the stock in behalf of a mutual fund?

A Absolutely not.

Q When for the first time did you find out that this 40,000 shares ended up with a mutual fund?

A I believe it was the first time that I had been called down to the U. S. Attorney's Office.

THE COURT: When was that?

THE WITNESS: April, 1972. We were called down for a meeting.

Q Let me back up.

As of the time this transaction took place with Mr. Schiffman did you have any knowledge as to whether or not Mr. Schiffman had ever been involved in any illegal transactions?

A I had no knowledge of any illegal transactions.

Q Did you ever acquire a knowledge that Mr. Schiffman was involved in illegal transactions?

A Yes, sir.

Q When for the first time did you become aware that Mr. Schiffman had been involved in illegal transactions?

A There was an article in the newspaper in November of 1971 about some investigations of Schiffman, Scheer and/or Kelly, Andrews, of the whole bunch.

Q What newspaper was that?

A I couldn't honestly recall.

Q As of that time did you have any knowledge that these 40,000 shares had been sold by these other broker-dealers to the mutual fund?

A Absolutely not.

Q Did you have any knowledge of any claim by Schiffman or anybody else that there had been a kickback or payoff to a Mr. Yamada in the summer of $60,000 or in any amount?

A Absolutely not.

Q Did anybody ever tell you that in order to arrange that sale there would have to be a kickback or a payoff?

A Absolutely not.

Q Did anybody tell your partner, as far as you knew, that there would have to be a payoff in order to arrange that sale or a kickback?

A Absolutely not.

Q When for the first time did you find out that somebody was claiming that there was a payoff or a kickback made by Mr. Schiffman?

A At a meeting in April of 1972, at the U. S. Attorney's Office.

Q Did you receive a subpoena to go down to the U. S. Attorney's Office?

A No. I received a call from the U. S. Attorney's Office --

MR. SCHATTEN: Your Honor, I am going to once again object to this kind of testimony since it would appear to be --

THE COURT: Overruled.

A I received a call from the U. S. Attorney's Office to come down, they wanted to talk to me. It was a Mr. Daniel Sullivan.

Q Was he a United States attorney?

A He was the United States attorney, sir.

Q All right.

THE COURT: You mean he was an assistant United States attorney.

Q An assistant United States attorney.

A All right.

market maker.

Q And you also had conversations with him at the company?

A Not about his becoming a market maker. He was there --

Q Part --

MR. SHERR: Would you allow him to finish his answer? He is in the middle of a sentence.

Q Please go ahead.

A These conversations were all -- at all meetings with members of the company were strictly related to the company. There was no talk about his function as a market maker. It was my job to try to get him to be a market maker, to become a market maker. Those conversations were between Schiffman and myself, nobody else at Belair.

(Continued on next page.)

MR. GUSRAE: Here is April 30th, the top of the chart.

THE COURT: I have a serious question whether this conspiracy did not end on the blow-off. Everybody disappeared who you claim conspired to do this.

MR. SCHATTEN: Mendlinger, Snyder was still around.

THE COURT: But they were not doing anything any more at that time.

MR. SCHATTEN: They were publishing statements without revealing the fact they had paid 153,000.

THE COURT: That was over with, and the deal was blown off and finished, and then the stock had dropped down as it would when you finish your conspiracy.

MR. SCHATTEN: Your Honor, I would like to consult with my people and get back to the Court on the point.

THE COURT: I will take it, but I am telling you right now, this is the way it looks to me, and I indicated that to you at the time we had the motions to dismiss. Everybody is out of the deal whom you claim conspired to run the stock up, and in fact the stock dropped precipitously.

MR. SCHATTEN: Mr. Scheer and Mr. Kobrin are still talking about unloading that transaction, and still, nonetheless --

THE COURT: They are not talking about unloading

anything. They are talking about going to Mendlinger and Snyder to see whether they had to do another box deal on a completely different conspiracy.

Look, if you want me to charge this to the jury the way you are talking now, you may end up with a defendants' verdict down the line.

MR. SCHATTEN: I will sit down.

THE COURT: Why don't you go read the charges that Judges Friendly and Medina have written about? Read the Kelly case.

MR. SCHATTEN: Very well, your Honor.

THE COURT: If you come up here with two conspiracies, or tell the jury they can find two conspiracies, and they find two, you have a defendants' verdict under the charge.

You go back and speak to your superiors and see if they have any better thoughts for you.

MR. SHERR: I assume I am still under restraint?

THE COURT: Absolutely, until we finish the cross examination.

(Luncheon recess.)

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the course of the conspiracy and in aid of or in furtherance of its alleged purpose.

At this point I want to advise you that I have admitted into evidence without limitation those portions of the testimony which you heard me state during the trial were admitted with the limitation of "subject to connection," or only against a specific defendant.

All such evidence may be considered to the extent that you give it credence in weighing the guilt or innocence of a defendant on this conspiracy count.

This direction is subject to two exceptions. While the $8,000 check to the lawyer Markowitz has been admitted as an act in furtherance of the conspiracy and on the tax count, it may not be used by you as evidence that Grindlinger was paid in connection with having his customers buy Belair stock.

The other limitation is the testimony given by Poloner and Pace regarding what is known as the Redstone purchase of Belair stock from Mendlinger & Snyder. All of this testimony has been stricken except two portions and should be disregarded by you in determining the issues in this case. The only portion of that testimony that remain is the date of issuance of the Redstone report and whether Kobrin ever spoke to Pace about the Belair

stock.

If, after considering each defendant separately, you find that he was not a member of the conspiracy alleged in the indictment, then you should acquit that particular defendant on Count 1.

Thus, it is possible for you to find that none of the defendants or some of the defendants or all of the defendants on trial were members of the single conspiracy alleged in the indictment.

The next element that must be proved on this issue of conspiracy is the requirement of an overt act. You may not find a defendant guilty of conspiracy unless you are convinced beyond a reasonable doubt that one of the conspirators knowingly committed one of the overt acts charged in the indictment.

The Government need not prove the commission of all of the overt acts charged in the indictment.

By the term "overt act" is meant any act knowingly done by one of the conspirators in an effort to effect or accomplish some object or purpose of the conspiracy. The overt act may not be criminal in nature, if considered separately and apart from the conspiracy. It may be as innocent as an act of man walking across the street or using a telephone.

EXCERPTS FROM TRIAL RECORD CITED IN CONNECTION WITH APPELLANT'S POINT IA OF THE BRIEF

brokerage firm would be doing in terms of getting the warrants?

A Tney were acting as investment banker for the firm, as a market maker. They would be providing financial and consulting services to the firm. Essentially those were the services.

Q What is a market maker?

A A market maker is a broker who attempts to maintain an orderly market in the price of a stock to avoid fluctuations. He does that by selling stock when there is heavy demand, heavy buying demand; buying stock when there is heavy selling demand in order to meet the demand and supply.

Q Let me show you what has been marked as Government Exhibit 34 for identification. Can you identify this?

A This is the corporate minute book of Transition Systems, Inc. whose name was later changed to Belair Financial Corporation.

MR. HOFETZ: May I approach the side bar?

THE COURT: Yes.

(Continued on page 69.)

us what you said to Mr. Mendlinger and what he said to you in the course of those discussions.

A I said to him, "What is the price of stock today?" He would tell me the price. And I would say, "You know, is there a lot of activity?" or, you know, "Is there a lot of buying? Is there a lot of selling? How many shares? You know, that kind of thing. And he would answer the question.

Q During this particular period of time was Mendlinger, Snyder making a market in the stock?

A Yes. They were the principal market makers in the stock.

Q Principal market makers?

A Yes.

Q I want to show you what has been marked in evidence as Government's Exhibit 26A. Can you identify that particular document?

A Yes.

Q What is that?

A It is a letter from me to Stanley Snyder dated March 17, 1971.

Q Did you write that letter unsolicited or had there been a prior request for the information con-

A I don't remember them saying that, even mentioning Mr. Snyder's name at that meeting.

Q You say you don't remember them mentioning his name at all?

A Yes.

Q Do you know whether he had met with them prior to your meeting with them at that time?

A I don't know.

Q At that time they explained this concept that they had concerning this company that they were going to form using these doctors and selling these financial services?

A Yes.

Q What did you think of a concept?

MR. SCHATTEN: I object.

THE COURT: Overruled.

MR. SHERR: Withdrawn.

Q Did you state to them what you thought of the concept?

A Yes.

Q What did you say?

A I thought it was an interesting and exciting concept.

Q And you have had a great deal of background in the business world, have you not?

A Yes.

Q Could you tell us something about your background, please?

A I'm a certified public accountant. I headed my own accounting firm for ten years in Beverly Hills, California. During the course of that practice I serviced many physician clients.

Q And I assume you also had among your clients various businesses?

A Yes.

Q And you were certainly not a neophyte in the business world?

A No.

Q You expressed an opinion that you thought it was an interesting concept?

A Yes.

Q Was it a concept that you felt that you wanted to become involved in?

A Yes.

Q And of course you knew that there were risks involved in starting that operation?

A Yes.

Q Did you also appreciate the fact that this concept had a great deal of potential?

A Oh, yes.

Q Will you tell us what you stated and what was said about the potential that was available to this concept at this meeting?

A Well, you want to know what I said?

Q What was said at the meeting regarding the potential?

A In this meeting with Mr. Maslansky and Mr. Paul, is that what you are speaking of?

Q Yes.

A Well, at this meeting I just heard in a very general way about the concept. I did some subsequent investigation and had a subsequent meeting with additional people to find out more about it.

My impression, if you want me to tell you that, of this whole concept after these meetings was that it was an exciting, viable and interesting program.

Q And it had a potential for making money?

A Oh, yes, certainly.

Q And you said you conducted your own investigation; is that correct?

A Yes.

Q What did that investigation consist of?

A It consisted of meeting with various people who

were to be involved in the company, meeting with physicians who were to be clients of the company, reviewing the plans that had been laid out for the company, checking into the background of the people that were involved and doing a general investigation.

Q When you completed this investigation you felt that this was a viable concept, a concept for a company with good potential that you would be interested in becoming a participant in?

A I did then and I still feel that it is.

Q You still feel at this time that this concept is a viable one and could make a successful company?

A Absolutely.

Q Did you ascertain, did you find out at that time that anybody had made any misrepresentations at that time concerning this company or had lied about anything?

THE COURT: I don't understand what you mean by "at that time."

MR. SHERR: At the conclusion of his investigation.

Q When did you conclude your investigation?

THE WITNESS: Oh, I would guess June or July of 1970.

THE COURT: All right.

Q Because of your investigation did you ascertain

that anybody involved with this company had made any misrepresentations to you concerning this concept or had misled you in any way concerning the nature of the relationship with the doctors?

MR. SCHATTEN: I object.

THE COURT: Overruled.

Q You may answer.

A No.

Q Now, subsequently, as I understood your testimony, you had subsequent meetings and it was decided that this concept should be embodied into a public vehicle; is that correct?

A That is correct.

Q Would you explain to the jury exactly what is meant by "embodying this concept into a public vehicle?"

A Well, it is a complex thing, but I will try to simplify it if I can. This was involved with attracting physicians to this management program. There was the problem with a physician -- I am going to summarize what could take a whole afternoon into a few sentences.

Q Take your time.

THE COURT: No, we are not going to spend all afternoon. Go ahead.

A A physician's primary problem is that he generates

Q Well, reimbursement. We assume that these were reimbursement for travel expenses actually incurred?

A Yes.

Q It's not your contention that they received reimbursement for expenses they didn't incur?

A No, it is not.

Q Just to make it clear, they had an option to buy 77,000 shares at $1.20?

A Yes.

Q Did they buy any of these shares?

A No.

Q They never exercised that option?

A No.

Q So they never obtained any advantage?

A They didn't buy any shares.

Q Did they ever sell the warrants?

A I don't know.

Q Do you have anything in the corporate books or records that would indicate that they ever sold these warrants?

A I have no indication that they sold the warrants.

Q As far as you know, these warrants have

A Yes.

Q Is that correct?

A Yes, it is.

Q Did Mr. Snyder know about these letters and approve these letters?

A Yes.

Q At this time, when these letters were going out, the price of the stock was moving up, was it not?

A Yes.

Q Did this come at a time when the fortunes of the company seemed to take a turn for the better financially?

A I don't recall.

Q Well, let me refer you then to the Government's Exhibit 30B and at the same time Government's Exhibit 30A.

30A, which was the report for the year ending September 30, 1970, showed a net loss of $36,725, is that correct?

A Yes.

Q And a net loss of 18 cents a share, is that correct?

A Yes, that's correct.

Q That was for the year?

A Yes.

Q 30B showed a net profit for six months of $70,273 before taxes and $44,173 after taxes, is that correct?

A I'd have to see it but it sounds right. That's correct.

Q Okay.

Now --

THE COURT: What was that, 3 cents a share?

MR. SHERR: That was 3 cents a share.

A Yes.

Q So in other words, for the six months ending March 30th you had a profit of 3 cents a share as comppared to a loss of 18 cents a share for the 12 months previous to that?

A That 's correct.

Q About this time the stock, which you testified had been selling between 5/8ths and $1 at the end of 1970,was now selling at a higher price.

I ask you to look at Government's Exhibit 1A and ask you what the price of the stock was at the time of the conclusion of the six-month statement on March 31, 1973. As of March 31, 1973.

A Yes.

Q And during that period also was your company starting to get into operation?

A Yes.

Q Was it during this period when your company was starting to get into the black?

A Yes.

Q In other words, you had turned around from operating at a deficit where you were losing money every day to where you were making money?

A Yes.

Q Okay.

Also, the actual name change took place some time in the middle of February?

A That was when it cleared all of the agencies, yes.

Q The trades of the stock as Belair began some time around February 17th, is that correct?

A That's correct.

Q So the stock now, as of February 17th, had an identity of Belair, right?

A Right.

Q Prior to that it was trading under the name Transition, which everybody knew had been a bank-

rupt company, is that correct?

A That's correct.

Q Is it fair to say that the change of the name to divorce it from the bankruptcy of Transition Systems to Belair had an effect on the price of the market.

MR. SCHATTEN: I object; insofar as he knows.

Q As far as you know.

A As far as I know, it had been an effect.

Q That would be an effect, a good effect?

A Yes.

Q To help the stock.

Did there come a time when Belair hired a public relations consultant?

A Yes.

Q When was that?

A I don't remember exactly when.

Q Was it some time in the beginning of 1971?

A Yes. End of 1970, beginning of 1971. I'm not sure.

Q What was the name of that public relations consultant?

A I don't remember.

Q You don't recall. Was it a California

firm?

A Yes.

Q Hired by you?

A Yes.

Q What was the function of that public relations firm?

A It was to provide information to the public about the company. To publicize the company.

Q Was that to publicize the company? And what was the purpose of publicizing the company?

A To bring public recognition to the company.

Q And to bring public interest to buying the stock?

A Of course.

Q So that in addition to having Mendlinger, Snyder try to go out and get other people back as market makers, you also hired a public relations firm to publicize the company and to create an interest --

A Yes.

Q -- in the purchase of the stock of the company?

A Right.

Q And as a result of this public relations firm, various newspaper clippings started to appear

about your firm, is that correct?

A That is correct.

Q I have certain clippings here from the Los Angeles Herald Examiner, the California Business Magazine, the San Ravael Independent Journal, a clipping from a newspaper which is not identified, a clipping from the New York Times dated Tuesday, May 11, 1971, a clipping from --

MR. SCHATTEN: I would object to reading into evidence and not putting the evidence in.

THE COURT: He's obviously going to put it in.

Q -- a clipping from the Commercial and Financial Chronicle, dated January 14, 1971, and a magazine Reinvestment, issued in February, 1972, and more particularly page 10 thereof.

I would like to have you take a look at these and ask you if those are copies of newspaper or magazine reports that appeared in the form and on the date questioned in the periodicals and papers.

MR. SCHATTEN: I would object to that

THE COURT: Why?

MR. SCHATTEN: Any more than the government would be permitted to put in certain clippings

which we are aware of. I don't think this is the proper way.

THE COURT: You know why they are being offered. He hired a public relations firm to interest people in buying the stock.

MR. SCHATTEN: It is just my understanding that would not be a proper way to do it. I will defer to the court's ruling. The objection is the competency of the witness, actually.

THE COURT: He's your witness.

MR. SCHATTEN: I don't believe he prepared those documents and I don't believe they are business records.

THE COURT: Are you finished?

MR. SCHATTEN: Yes.

THE COURT: Overruled.

Q What is your answer?

A What is the question again? I'm sorry.

THE COURT: Have you seen those?

A Yes.

MR. SHERR: At this time may I offer these documents into evidence as Defendant Mendlinger's Exhibit A.

THE COURT: One thing he hasn't said yet.

Were they the result of a public relation's f firm's activities?

THE WITNESS: Yes.

MR. SHERR: I'm sorry. Thank you, your Honor.

THE COURT: Offer them as one exhibit.

MR. SHERR: I was going to make it A1, 2, 3, 4 and 5.

THE COURT: Let the clerk tell you what the number is.

(Defendant Mendlinger's Exhibits A1 through A5 were marked for identification.

MR. SCHATTEN: Can I see them?

THE COURT: Take a look at them.

I believe this is a good time to recess for lunch. We will start at 2 o'clock promptly.

(Luncheon recess.)

Q At that time did you still have hopes of making a private placement?

A I think we were still attempting to at that point in time.

Q The market was pretty well aware of your attempts, am I correct, with reference to this fund-raising and of your problems because it had been going on for several months?

A I think so.

Q At that time, in your opinion, had you been able to raise the money to continue, would you still have had a viable company?

A Had we raised the half million dollars we were seeing at that point in time?

Q Yes.

A Yes.

Q You felt the company could have gone on and that it might have reached the potential that you had looked forward to when you first entered into the picture?

A Well, I didn't know if it would have reached that potential, but it certainly would have been able to continue.

Q I'm not saying it would make $25 million

Q Well, Calabrese & Company is the nominee of American Bank & Trust Company.

A I see. All right. I didn't know the relationship.

Q Well, do you know also that when shares are purchased by a broker, by a dealer-broker, and subsequently sold to a customer, that sometimes they are kept in the Street name by the American Bank & Trust Company or Calabrese and then transferred to the eventual owner?

A Yes.

Q There's nothing irregular about that procedure, as far as you know?

A No, and I didn't mean to imply that I thought there was.

Q Mr. Aminoff, you were president of this company?

A Yes.

Q Can you tell us in your opinion, as far as you know, whether or not the efforts extended by Mendlinger, Snyder Company and of Mr. Snyder individually in behalf of this company were efforts that were inured to the benefit of the company or favorable to the company? Did they work hard for the company? Did they do every-

thing they could for the best interests of the company?

A Yes.

Q As far as you know, did they, or either of them, do anything to injure the company?

A Not to my knowledge.

Q Thank you.

MR. SHERR: I have no further questions.

THE COURT: Mr. Gusrae.

MR. GUSRAE: I just have one question.

THE COURT: You can put it from there, if you wish.

MR. GUSRAE: I need a document.

CROSS EXAMINATION

BY MR. GUSRAE:

Q I just want to show you this report which has been marked Exhibit D in evidence. It is the Redstone Securities report on your company.

I see you also have Government's Exhibit 1 next to you, is that correct?

A Yes.

Q Is it true that there is no date on that report? It is an undated report?

A I don't see a date on the report.

Q How many doctors were there as of the time Mr. Paul left the company?

A 14.

Q Was there any real growth thereafter?

A No.

Q Would you be prepared to say that that signaled the beginning of the end of Belair Financial?

A You could probably say that.

THE COURT: Let's get the specifics. You had 14 clients as of October 30, 1970. How many clients did you have December 31, 1970?

THE WITNESS: 14.

THE COURT: How many did you have February 28, 1971?

THE WITNESS: 14.

THE COURT: April 30, 1971?

THE WITNESS: I think that April we had attracted some additional doctors and we were up to 18 at that point.

THE COURT: The high level?

THE WITNESS: The highest point I think we reached was more than 20.

THE COURT: When?

THE WITNESS: April, May.

Q Had there been defaults at the time among other

doctors?

A Yes.

Q So of these 20 there were people in default dropping out; is that correct?

A Yes.

Q How many would you say were in default at that point?

A Without referring to records, Mr. Schatten, I don't know at that point in time, April or May, I would say there were not more than two or three doctors in default.

Q Were there others about to go in default very soon after?

MR. SHERR: I object.

THE COURT: Sustained.

Q Did Mr. Snyder indicate to you that the primary purpose of his trip to California in or about October of 1970 was to buy up the Nelson and Joseph blocks in 50,000 shares?

A I believe so.

Q These were shares that he ultimately acquired as reflected in the transfer sheets; isn't that correct?

A Yes.

The only thing that I know is that they were transferred to Calabrese & Company.

cs10

(In open court.)

MR. SCHATTEN: Let the record reflect that the Government has introduced into evidence a chart obtained from the pink sheets of the National Daily Quotation Bureau for the period February 1, 1971 through July 1, 1971 with respect to Belair Financial Corporation, formerly Transition Systems.

This chart reflects in red the high asked price and in black a high bid price that the particular market-makers were offering, that is, the asked being the price at which the high market-maker was going to sell the stock and the bid price, if you wanted to sell the stock the market price will be the bid price.

It begins on February 1, the bid price being 5/8 of a share, the asked price being a dollar a share, and it continues as indicated.

At the high point, May 3, the high asked price is $16 a share, the high bid price is $15 a share.

You also have a chart or a schedule in evidence marked as Government's Exhibit 1-A, and Exhibit 1-A lists all of the market-makers who were making a market on the various days in question from May 3:

Mendlinger, Snyder had a $15 bid, $16 ask;

J. D. Winer had 14-3/4 bid, 15-3/4 asked.

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Icahn was 14-3/4 bid, 15-3/4 asked.

Kelly, Andrews & Bradley had $15 bid, $15-3/4 asked; and Chartered New England had $15 bid and 15-3/4 asked.

First New York Equities had 15 bid and $16 asked.

These reflect merely the high figures on a particular day.

THE COURT: That is the stock.

MR. SCHATTEN: That is right.

MR. SHERR: Will the record note that defense had no objection to this?

MR. SCHATTEN: That is correct, and the record may so reflect.

THE COURT: We will have a short recess.

(The jury left the courtroom.)

THE COURT: The record at the opening of the trial indicated that defendant Kobrin was not present at the time we started, which was roughly about 10.10, 10.15. He came in shortly thereafter. I didn't wish to interrupt the proceedings, but would you put on the record, Mr. Gusrae, when you client appeared?

MR. GUSRAE: I believe Mr. Kobrin came in about 10.25.

that essentially most of the buying was being produced by Kelly, Andrews & Bradley. And he agreed.

And we discussed the fact that he still had Icahn and J. D. Winer under control and that the market -- everything was working out favorably at that time.

Q Did there come a time when you had occasion to bring market makers into the pink sheets with respect to Belair?

A Market makers?

Q Yes.

A Yes, we brought two market makers in to work with us, and that was later on in March.

Q Who were they?

A One was a firm called -- oh, the First New York Equities, and the other one was a firm that a gentleman by the name of Paul Tessler worked for, which I can't quite recall the name.

Q Let me show you what has been marked as Government's Exhibit 1A in evidence. I'm referring to page 3 of that document. Does that refresh your recollection?

A Yes, it does.

Q What was that firm's name?

A Chartered New England.

recall it was approximately $40,000.

Q This was in addition to the compensation that was received from Mendlinger, Snyder, is that correct?

A Correct.

Q Have you participated in criminal activities in connection with stocks, apart from Belair Financial?

A Yes.

Q Would you tell the court and jury in what stocks in criminal activities you participated?

A Stock companies, there was a company called All State Metals, a company called Lady Goldie, one called Cadgie-Taylor, one called Fashion Week.

MR. SHERR: I'm sorry.

THE WITNESS: Fashion Week.

MR. SHERR: Fashion Week.

A And Knapp Industries.

Q Did there come a time when you were indicted?

A Yes,there did.

Q In what cases were you indicted?

A Belair, Lady Goldie, All State Metals.

Q Did there come a time when you reached an understanding or an arrangement with the government?

A Yes, there did.

Q Tell the Court and jury what that arrangement was?

A Well, I pled guilty at that time to one count of Lady Goldie, one count of an indictment in Lady Goldie, and I had an arrangement with the Govrernment whereby if I agreed to cooperate with the Government, by that I mean, to tell the Government what happened in these various transactions, and if I was called to testify for the Government and if I did so testify truthfully the fact that I did cooperate with the Government would be made known to the judge at the time of sentence.

Q Did you plead guilty to any other indictments?

A Belair, Allstate and Lady Goldie.

Q You pled guilty to the conspiracy count in this indictment now on trial; is that correct?

A That is correct.

Q Now, the Allstate case is pending before which judge?

A Judge Cooper.

Q He is a Federal judge just like Judge Metzner, a judge sitting in this Court House; is that correct?

A Yes, right.

Q I believe you mentioned the Lady Goldie case; is that correct?

A Yes.

Q How about the Allstate case, have you pled guilty in that case? Is that correct?

A Yes.

Q Who is that case now pending before?

A Judge Cooper.

Q And the Belair case is currently before Judge Metzner; is that correct?

A Correct.

Q And you have an understanding with the Government that you will apply to have the case, the Belair case, transferred to Judge Cooper and the Government is acquiescing in your application; is that correct?

MR. GUSRAE: He is testifying. I would like to hear what the witness has to say.

THE COURT: Yes.

What is your arrangement?

Q What is your arrangement?

THE COURT: Regarding your plea of guilty in this case that we are now trying?

THE WITNESS: There is an application, I believe, filed by my attorney, to have the case as far as sentencing transferred to Judge Cooper and the Government has agreed to acquiesce and support that application. That is as

cs3 Schiffman - direct

far as I know.

Q You are currently awaiting sentence in these three cases; is that correct?

A Correct.

You have been advised that your cooperation and testimony, if you testified --

MR. SHERR: I'm going to object.

THE COURT: Ask him what his agreement is.

Q What is your agreement in connection with your cooperation?

A Again, that if I cooperate with the Government, if I testify, should I be called to testify, and if I testify truthfully, that this will be made known to the judge at the time of sentencing.

MR. SCHATTEN: I have no further questions at this time.

I would like to approach the side bar.

(At the side bar.)

MR. SCHATTEN: At this time I move to have Government's Exhibit 9, the $8000 Grindlinger check that was given to Grindlinger be admitted against Mr. Grindlinger as well in view of Mr. Schiffman's testimony that at the time that Mr. Schiffman turned over the check to Mr. Grindlinger he advised him that Mendlinger, Snyder was part

of this deal involving Belair and the payment was made in connection therewith.

THE COURT: That is not sufficient.

MR. SCHATTEN: The testimony of this witness is that --

THE COURT: I know his testimony cold. You haven't touched the defendant Grindlinger yet.

MR. SCHATTEN: I would respectfully submit --

THE COURT: I respectfully submit that you haven't tried a good case so far.

MR. SCHATTEN: Can I just brief the issue?

THE COURT: No.

(In open court.)

MR. SCHATTEN: I have no further questions.

THE COURT: Cross-examine.

MR. SHERR: Is there any further 3500 material that is going to be furnished to me at this time?

THE COURT: Not that I know of.

MR. SCHATTEN: I would like to make one more point at the side bar.

(At the side bar.)

MR. SCHATTEN: Let the record reflect and I think the record should reflect that Mr. Sherr alerted me to the fact that there was a letter that alludes to -- I

cs5 Schiffman -

turned over to all defense counsel a letter of mine to Judge Cooper dated June 23.

THE COURT: What year?

MR. SCHATTEN: 1975. Mr. Sherr alluded to the fact that a letter from Judge Cooper refers to a letter of mine dated June 24. I am not currently aware of such a letter. I am going to make further inquiry of Judge Cooper and if there is any such letter I will probably turn it over.

THE COURT: Do you think he is referring to the June 23 letter?

MR. SCHATTEN: Yes.

MR. SHERR: In the 3500 material turned over to us there was a reference here to aprior agreement between Schiffman and the U. S. Attorney. I have no memorandum or other material reflecting that prior agreement. There must be a note in the U. S. Attorney's files as to that meeting.

THE COURT: Your conclusion doesn't follow.

MR. SHERR: I would like to ask whether --

THE COURT: You are asking, but it doesn't follow that there are

MR. SHERR: Okay. I am referring to No. 3 (indicating), and I would like to know if there is a memo-

randum with reference to a prior meeting at which this agreement was entered into.

MR. SCHATTEN: I have asked Mr. Doonan and other Assistants who have worked on Mr. Schiffman's cases about any material turned over to Judge Metzner. We have not been able to come up with it. I specifically asked your question of Mr. Doonan after the lunch hour and he did not have any knowledge apart from this particular --

MR. SHERR: I didn't ask you that question during tne lunch hour so you couldn't have asked Doonan.

MR. SCHATTEN: You asked me for the other 3500 material and you also discussed the question before the lunch hour about any other material. You did ask me, Mr. Sherr. You are just dead wrong.

THE COURT: He doesn't have anything regarding that aside from what the witness testified.

(In open court.)

MR. SHERR: Bear with me one moment, your Honor.

(Pause.)

CROSS EXAMINATION

BY MR. SHERR:

Q Mr. Schiffman, you are an educated man and an attorney; correct?

A Correct.

Q You have an understanding of these proceedings?

A Excuse me?

Q You have an understanding of these proceedings?

A Sure.

Q You have an understanding of the proceedings that have been pending against you in the past?

A Certainly.

Q And in all these proceedings that were pending against you in the past, were Mr. Mendlinger or Mr. Snyder involved in any way?

THE COURT: You mean in the other cases that he mentioned aside from Belair?

MR. SHERR: That is correct.

A Not that I can recall.

Q Is there any question in your mind?

A There might be. There are a lot of proceedings.

Q You mean you can't remember how many proceedings there are against you?

A Are you talking about indictments or are you talking about investigations? I don't know exactly what you are talking about.

Q I'm talking about all the hanky-panky you have been involved in in the past?

A Yes.

Q Were Mendlinger and Snyder involved in any of those things?

A As I say, it might possihly be in one, but I'm not really sure.

Q Which one?

A There was a situation called New Technique and I think it was discussed briefly with the United States Attorney's office.

Q What did you do, sell Mendlinger, Snyder some stock?

A No, they sold us some warrants.

Q They sold you some warrants?

A Yes.

Q With respect to all y our indictments in your Securities Exchange Commission investigation weren't pretty well the same group of people involved?

A The same group of people involved from Kelly, Andrews & Bradley, but there were different people involved with each company. Naturally the same people in Kelly, Andrews were involved.

Q Didn't you have a hard core or group that was involved in each of these transactions?

A These were people working with Kelly, Andrews & Bradley, but every deal had other individuals involved in

it from the company or the brokerage firm.

Q You mean your deals somehow involved others on occasion?

A All the time.

Q It would have to involve others -- you didn't control all these deals yourself; you didn't have all these deals yourself; is that right?

A Generally they were brought to you.

Q After they were brought to you, wasn't there a core or hard core or group headed by you that handled all these deals or manipulations?

A Well, again the people working at Kelly, Andrews & Bradley -- is that what you are referring to, or other people?

Q Let's take some names there.

There was a Mr. Scheer; right?

A We were with Kelly, Andrews & Bradley.

Q You were involved in most of these other transactions?

A All of them.

Q And was Mr. Hager?

A Mr. Hager was only a customer and a finder.

Q Was he also a fellow conspirator?

A He might have been in some of those. He might

have been named as a conspirator, but I say he was not an employee of Kelly, Andrews & Bradley.

Q I say, was he involved in a number of these deals with you?

A Yes.

Q Wasn't there also a Mr. Peltz who was involved in a number of these deals with you?

A I think a few.

Q Wasn't there also Mr. Yamada who was involved in all these deals with you?

A He was in deals with a lot of people.

Q I'm talking about deals he was involved with you?

A A couple of them.

Q To the best of your knowledge, before you met Mr. Medlinger and Mr. Snyder, did they know any of these people?

A I would have no way of knowing.

Q As far as you know, did they know any of these people?

A Are you talking about people that we have mentioned so far?

Q Yes.

A Yes, they knew Hager and Peltz before the Belair deal.

csll Schiffman - cross

Q Who was Mr. Peltz?

A A partner of Mr. Hager, again a finder.

Q He had met Mr. Scheer before he met you; is that correct?

A That is correct.

Q Had Me. Mendinger and Mr. Snyder met with Mr. Scheer before Mr.Scheer was with Kelly, Andrews & Bradley; is that right?

A I believe so. I'm not sure at the time that they first met each other, but I believe you are correct.

Q You have told us that you have been involved in a number of deal[illegible] situations with these people where you have been indict[illegible]d by the United States Government and where you have been charged by the Securities and Exchange Commission with various act of fraud; is that correct?

A Correct.

Q Have you ever heard of Mendlinger, Snyder being involved or charged with a[illegible]y wrongdoing outside of this case in any of their transactions by the United States Government, the Securities and Exchange Commission or anybody else, or was the only time they got [illegible]nvolved with you that they have been charged?

A I don't have any knowledge other than this time.

csi?

No, I don't know what else they could have been charged or not been charged with, no.

Q As far as you know, the only time they got into trouble with any stock they have been involved with was the time they got involved with you?

A As far as I know, yes.

Q It is important to you that Mr. Mendlinger and Mr. Snyder are convicted in this case?

A To me?

Q Yes.

A Not particularly, no.

Q Don't you think it will have some effect on your sentencing if it comes up on those cases that you have pled guilty whether or not the United States Attorney advises Judge Cooper that your cooperation and your testimony lead to an indictment?

A I would hope that whether or not they are convicted would have not bearing on whether my sentencing -- I would hope that that would not be true.

Q What do you expect?

A I don't really think it would.

Q You don't think it would?

A Their conviction or acquittal?

Q Yes.

A I don't think so.

Q Didn't it already happen once?

A Where? What?

Q Did you already get some charges dropped against you because the United States Attorney told the Court that they were asking to drop some charges against you because you had testified against some other people that had resulted in a conviction?

A Do I know such a statement was made?

Q Yes.

A I know of no such statement.

Q Will you bear with me a moment, your Honor?

(Pause.)

MR. SHERR: May we have a moment at the side bar?

(At the bard.)

MR. GUSRAE: I thought we had agreed that Doonan wouldn't be in the courtroom.

THE COURT: He came in when he was on direct, not on cross-examination.

MR. SHERR: It should be now as I'm cross-examining.

THE COURT: He is going to read the transcript over the weekend anyhow. What are you talking about?

It is ridiculous.

(In open court.)

BY MR. SHERR:

Q Do you remember a case involving a company called Knapp Industries, Docket No. 72 Criminal 720?

A Yes, I do.

Q Do you remember appearing in court on January 17, 1975 with United States Attorney John M. Walker?

A No, I do not.

Q Do you remember John Walker making a statement to the Court with respect to a case of United States of America versus Stuart Schiffman and Stanley Peltz in which he said, "Schiffman testified as a Government witness at the trial of Indictment 73 Crim. 79 and 72 Crim. 1078. In addition, his availability as a witness contributed to a disposition of the case, Indictment 73 Crim. 1073 by a plea of guilty. Schiffman is awaiting sentence."

Further on it says concerning Schiffman:

"The Government doesn't think it in the best interest to proceed against him any further in that indictment."

Do you remember that?

A Very nice, but I wasn't present there.

Q Was that case dropped against you?

A I heard that it was, but I don't remember that because I wasn't present there.

Q Well, you remember testifying as a government witness in the 73 Criminal 79, which would be at All State and Chelsea, do you not?

A I certainly do.

Q And you remember testifying as a government witness -- well, I don't have the name of it. Do you remember testifying as a government witness in another case, which was indictment 72 Criminal 1078 before this case was dismissed?

A I don't recall then by the numbers.

Q How many cases have you testified in?

THE COURT: Wait a second. Stop using them. I don't even know the number of this case.

MR. SHERR: I'm sorry, Judge.

THE COURT: You must have the name if you have the number.

MR. SHERR: They don't have it here, Judge.

THE COURT: Then find out what it is. There are 1500 criminal cases filed every year. No judge or any witness can remember any particular number.

Q You can remember how many cases you

testified in, can't you?

A Yes.

Q How many cases did you testify in?

A Four.

Q After you testified in a couple of cases they dropped those charges against you, didn't they?

A Which charges?

Q The charges involving Knapp Industries.

A That was agreed to be dropped before I testified.

Q That was agreed to be dropped before you testified?

A Yes.

Q Just like this?

A Well, not just like that. That was one of the cases that was going to be dropped before I testified.

Q Did you have a discussion with the United States attorney where he agreed to drop some of your cases?

A That was the only one that was dropped that I know of.

Q The question was, did you have a discussion with the United States attorney where he agreed to

drop some of the case against you --

A Certainly --

Q Let me finish -- if you testified.

A Well, again, my arrangement with the governmentwas, I decided to plead guilty in three cases, Knapp Industries was not one of them. The government decided to drop Knapp Industries.

My arrangement with the government was to cooperate. In other words, cooperate with the various assistants, U. S. assistant attorneys, on cases that they were investigating; to cooperate with the government investigators. If I had any knowledge of criminal activity, to disclose it to them, or to tell them the facts as I could recall them.

The other part of my arrangements, if they called me to testify, I was to testify truthfully. If I did cooperate, if I was called to testify, if I did testify truthfully, this would be made known to the judge at the time of sentencing.

Q Did they also agree to drop some cases against you?

A No. The only agreement was Knapp, and that was prior to my cooperating with the government.

Q You mean they agreed to drop that case against

you before you agreed to cooperate?

A It was almost simultaneously, but that case was, I guess, going to be dropped anyway.

Q Then the statement made by the United States attorney to the court was incorrect?

A Well, I don't --

Q What he gave as a reason for droppign the case, the fact that you had cooperated in prior testimony?

A Well, that might have been his reason, but it was agreed that that case was going to be dropped at the time that I pleaded guilty to Lady Goldie.

Q So your reason and the United States attorney's reasons are different?

A I don't know.

THE COURT: I really don't think it makes much difference from the point you are interested in.

Q You pled guilty to the first one of your cases back in 1971?

A No.

Q 1972?

A November or December of 1972.

Q You haven't been sentenced on that yet, have you?

A No.

Q You are an attorney, are you not?

A Yes.

Q Is it usual for sentencing to be held up for three and a half years?

A I don't know, to tell you the truth. I really don't know.

Q Wasn't there an arrangement made with the United States attorney that sentencing would be postponed continuously until after you testified in this case?

A I'm not sure. The sentencing was more or less out of my hands. I think that through negotiations between the United States Attorney's Office and my attorneys it was postponed a couple of times.

Q It has been postponed continuously because of this case, has it not?

A I really can't answer that.

MR. SHERR: At this time, if your Honor, I ask the United Attorney to concede that he has made numerous requests to Hon. Judge Cooper to postpone sentencing in that case until the conclusion of the trial of this case.

MR. SCHATTEN: I believe that Mr. Schiffman

is cooperating with the government on other matters as well as this. He is participating in at least one other investigation that I'm aware, and I don't know that this is a proper way of doing what he wants to achieve, but in any case, I can't agree.

THE COURT: If Judge Cooper wanted to sentence this man at 4 o'clock this afternoon, you would ask Judge Cooper not to do it because he hasn't finished his testimony yet, wouldn't you?

MR. SCHATTEN: I have written --

THE COURT: Would you or would you not?

MR. SCHATTEN: Yes.

THE COURT: Yes, okay.

MR. SHERR: In fact, you have already written Judge Cooper and asked him to do so, have you not?

MR. SCHATTEN: Do I have to answer this?

THE COURT: Yes.

MR. SCHATTEN: Yes, I have.

THE COURT: All right. Let's get on.

MR. SHERR: May I at this time ask the United States attorney to stipulate to this letter being offered in evidence? A letter from you to Judge Cooper.

(Counsel confer.)

MR. SCHATTEN: Will you concede this was turned over to you by the United States attorney?

THE COURT: Of course it was. He's offering it in evidence.

MR. SHERR: Of course. How do you think I got it? overnment's Exhibit 3513.

MR. SCHATTEN: I believe there is another document that should go with it. May I look through the letters here?

MR. SHERR: You can look through anything. Do you want to offer all your letters to Judge Cooper? It's all right with me.

MR. SCHATTEN: I would like also to offer the letter of October 8, 1975.

I would ~~also~~ like to offer the letter of June 23, 1975 to complete the record.

MR. SHERR: I have no objection. If you want to offer that, fine.

MR. SCHATTEN: Mark them as Government's Exhibits 3513E and 3513-I.

MR. SHERR: 3513E is a letter to Judge Cooper on June 23, 1975, and 3513-I is a letter to Judge Cooper on October 8, 1975.

If I may, I would like to read this. Are they deemed marked.

THE COURT: If you are going to mark them in evidence, they have to be marked.

MR. SHERR: The government offered his exhibits.

THE COURT: Somebody's got to offer them so the clerk can mark them.

MR. SHERR: I'm offering them as defendants' exchibits.

(Defendant Mendlinger's Exhibits II and I were received in evidence.)

MR. SHERR: With your permission, your Honor, I would like to read Defendant Mendlinger's Exhibit II to the jury.

(Mr. Sherr read from Defendant Mendlinger's Exhibit II in evidence to the jury.)

MR. SCHATTEN: Can we have the other letter also read.

MR. SHERR: You can read it any time you want to.

MR. SCHATTEN: I will read it right now now.

THE COURT: You can read it on redirect

examination.

BY MR. SHERR:

Q How much time do you face on that 1972 conviction?

A On the plea of guilty in 1972?

Q Yes.

A Five years.

Q And with a fine, correct?

A Correct.

Q Then you pled guilty again in 1973 in a case of All State and Chelsea?

A Right.

Q How much time do you face on that one?

A The same thing.

Q Five years?

A Right.

Q Have you been sentenced on that case yet?

A No.

Q Has that sentencing been postponed until the end of this trial?

A I think what you just read includes both of them.

MR. SHERR: Will the United States attorney concede that they have requested that sentencing on

that case be postponed until the end of this trial?

MR. SCHATTEN: I believe that the letter of October 8th refers to the two cases before Judge Cooper.

MR. SHERR: Will you concede that you have requesred that sentencing be postponed?

MR. SCHATTEN: This letter speaks for itself.

THE COURT: Why do we have to argue about this? It is perfectly obvious you asked for a postponement of the sentence. Just say yes.

MR. SCHATTEN: Yes.

Q Is it a fact that the plea of guilty on December 18, 1972, was before Judge Cooper, is that right?

A Yes.

Q And the plea of guilty on April 3, 1973, was before Judge Motley, is that correct?

A Correct.

Q And is it true that the government advised Judge Motley that you were testifying in certain cases and not only would they like the sentencing postponed but they wanted the sentencing transferred over to Judge Cooper?

A I know that they requested the sentencing

to Judge Cooper. The rest of it I don't know.

MR. SHERR: Will the United States concede that they requested Judge Motley to give up her right to sentencing, to transfer the sentencing to Judge Cooper, who was on the first sentence?

MR. SCHATTEN: I turned over to you --

THE COURT: Yes or no.

MR. SCHATTEN: Yes, we did join --

THE COURT: Next question.

BY MR. SHERR:

Q You also pled guilty in this case, did you not?

A Correct.

Q At the time you pled guilty did the United States attorney ask -- withdrawn.

You pleaded guilty before his Honor, Judge Metzner, is that correct?

A Correct.

Q At that time the United States attorney asked that the sentencing be transferred over to Judge Cooper so that all the sentencing could be disposed of at the same time after you finished testifying in this case?

A My attorney requested that it be transferred,

but I don't recall what the United States attorney said then.

MR. SHERR: I will ask the United States attorney --

MR. SCHATTEN: You were there, Mr. Sherr. I had no opposition whatsoever.

MR. SHERR: I'm not testifying. I'm asking you to concede it. Did you?

MR. SCHATTEN: I indicated there was absolutely no opposition to Judge Metzner transferring it to Judge Cooper.

MR. SHERR: Right now the three sentences are all before one judge.

MR. SCHATTEN: That I will not concede, that's not true.

THE COURT: I haven't acted yet.

MR. SHERR: Oh, I'm sorry, your Honor. Okay.

Q But you have three sentences that you have to concern yourself with, right?

A Yes.

Q In the second case -- I don't know if I asked you; if I did, I'm sorry if I'm repetitious -- you also face five years on the Judge Motley case, is that cor-

rect?

A That's correct, sure.

Q And that this case that you pled guilty to, you also face another five years?

A Correct.

Q So that is 15 years that you face on these three sentences?

A Possibly, yes.

Q And you are aware that a report is going to be made to Judge Cooper at the conclusion of this trial with respect to your testimony and your "cooperatoin" with the government prior to him sentencing you, are you not?

A I would assume so, yes. That's part of the arrangement, yes.

Q Did Judge Cooper give you any indication that he would be lighter on your sentence if he was satisfied that you cooperated with the government?

A No.

Q e did not?

A No.

Q Do you remember Judge Cooper saying you on December 18, 1972, as follows:

"The Court: I will say this to you. I

told you already I have been on the bench for 33 years. I don't say it to impress you but to tell you when I say something, I mean it. I have been around long enough to know my own mind. When a defendant comes before me and he says, 'This I did, I did wrong, I don't want to compound it by anything further, I don't want to resort to any manipulation or hasty trial or monkey around, this is it, I did it,' I have always, 99 per cent of the time, given him credit at the time of sentence for his plea of guilty."

And I draw your attention to this next sentence:

"And I don't mind adding that if the defendant cooperates with the government, I will take that into consideration provided it is on the level and it is not to manipulate or to play cat and mouse."

Do you remember Judge Cooper telling you that?

A That was a --

Q Do you remember him telling you that?

A No, I don't but I'm glad you just read it because I'm glad to hear it.

Q You mean you don't remember Judge Cooper telling you that --

A I don't remember that.

Q Excuse me. You don't remember, when you are facing at that time five years, him telling you that if he was satisfied with your cooperation with the United States attorney, words to the effect that your sentence would be lighter or easier?

A I don't remember that statement. That was a pretty heavy day for me. I'm glad to hear it, though.

Q The United States attorney has never mentioned anything like this to you?

A Like what?

Q Like that if they were satisfied with your cooperation, you would end up getting possibly a lighter sentence or a suspended sentence?

A I wish the[illegible]d said that to me.

Q They never said anything like that to you?

A No.

Q You feel no matter what you say or what you do here is not going to affect your sentence?

A Oh, not at all. I told you what I feel is that if I testify, testify truthfully, and do cooperate with them, that it will be made known.

Q And today you are testifying truthfully?

A That's correct.

Q Is this the first time you have ever testified truthfully?

A No, I testified truthfully all the time.

Q Have you testified falsely on many occasions?

A No.

Q Aren't you convicted of filing false statements with the Securities and Exchange Commission?

A I don't think so.

Q You don't think so?

A No.

Q What was the nature of the All State-Chelsea indictment?

A I pleaded guilty to a conspiracy to commit stock fraud, as I recall.

Q What did that involve? Did it involve telling the truth?

A What's that.

Q Stock fraud.

A You said testify. Are you talking about testimony or statements made during business hours or conversations?

Q Excuse me. I am sorry. You mean there's a difference: you always tell the truth when you testify

but when you make statements during business hours, you don't have the --

THE COURT: He's drawing a distinction between testifying under oath and not under oath.

Q Are you drawing that distinction?

A Sure.

Q So when you committed the fraud you figured you weren't under oath at that time, it's not the same thing, is that right, is that right?

A Well, if you can consider testimony the same thing --

Q It's not what I consider.

MR. SCHATTEN: I object.

THE COURT: I gather that he is admitting he pled guilty to a conspiracy to commit fraud. That's entirely different from having committed the fraud.

Q Part of the indictment which you pled guilty to before Judge Motley referred to:

"Unlawfully, wilfully and knowingly used and caused to be used an offering circular which contained untrue statements of material facts and which omitted to state material facts required to be stated therein and necessary to be stated therein in order to

make the statements not misleading."

Isn't that part of what you pled guilty to?

A The conspiracy to commit that act, yes.

Q But this is part of that conspiracy?

THE COURT: No. There's a technical distinction, as you well know, and this jury is going to find that out when I charge them, between pleading guilty to a conspiracy and pleading guilty to a substantive count.

What did he plead guilty to, the conspiracy count?

MR. SHERR: All right. Let's take a look.

Bear with me a minute. The photostat is not too clear, your Honor.

Q On April 3, 1973, did you plead guilty to count 1 of indictment 73 Criminal 79?

THE COURT: The name of the case?

MR. SHERR: The case was U. S. v. Joseph Marando, Stuart Schiffman, Leslie Zacharias, Nathan Hager, Stanley Peltz, Arthur Beradelli, also known as Artie Gambino, Lee Linder, Edward Cravolo, Robert Feis and Sonny Santini.

A Did I plead guilty to count 1? I don't remember what count it was. What I do remember is pleading guilcy to a con piracy count of that indictment.

MR. SHERR: Will the United States attorney concede that the court record --

MR. SCHATTEN: Yes.

MR. SHERR: -- shows he pled guilty to count 1?

MR. SCHATTEN: The conspiracy count.

THE COURT: What is count 1?

MR. SHERR: I'm going to read it now, Judge.

THE COURT: Let me see it and we will save some time.

The conspiracy count.

MR. SHERR: May I read the parts of the count?

THE COURT: No.

MR. SHERR: Well, there are substantive allegations.

THE COURT: I'm sorry. I will not let you read parts of the count because then I'm going to have to instruct the jury on conspiracy and this is a

man that pled guilty to conspiracy and not to the substantive count.

MR. SHERR: If your Honor please, for the purposes of the record, count 1, which is not entitled conspiracy count --

THE COURT: Is a conspiracy count.

MR. SHERR: -- alleges certain substantive --

THE COURT: I know, as the object of the conspiracy. Now, let's stop it. Go on. He pled guilty to a conspiracy count.

BY MR. SHERR:

Q What was that conspiracy?

THE COURT: Immaterial.

Q Did it involve lying?

A No, it did not. Perjury, are you talking about?

Q Lying. Telling untruths.

A Conspiring to tell untruths? Yes.

Q Is it a fact that you have in the past filed documents subject to the penalty of perjury with the Securities and Exchange Commission which contained false and misleading statements?

A No, it is not a fact.

Q Is it not a fact that you filed documents with respect to offerings which did not indicate certain secret compensation that you had received?

A Well, I didn't file them. Did I know of them? Yes.

Q They were filed?

A Not by me or my firm.

Q Were these involved with these conspiracy counts?

A That's that?

Q These filings.

A Were the filings of offering circulars and prospectuses part of the conspiracy?

Q Which contained false information.

A Well, that wasn't the conspiracy. The conspiracy was conspiring to do an act.

Q You didn't feel that was part of the conspiracy?

THE COURT: I don't see any point of beating this.

MR. SHERR: All right.

Q You had your discussions with the United States Government concerning your cooperation and testimony in these various cases after you pled guilty.

Did you also agree to plead guilty in this case before even any charges were brought?

A In this case before charges were brought? Absolutely not.

Q Do you know that the United States Government filed a report before this indictment was made to the effect that you had obligated yourself to plead guilty to these charges when they were brought?

A What I had obligated -- I don't know of such a document but I can tell you what I obligated myself to do.

Q Tell us.

A I was going to plead guilty to five counts of conspiracy. They were various investigations. I don't know how many indictments were going to be finally brought by the government. The government was going to inform me of the various other -- other than the one I had pled to, the other twok which ones they would request that I plead guilty to.

Q Didn't you make a deal back in 1974 that you would plead guilty to charges involving this case --

A I made no deals in 1974 at all.

Q Excuse me. You made no deal in 1974 at all.

dha Schiffman-cross

A No. I made one arrangement, one deal.

MR. SHERR: At this time I would like to offer into evidence a memorandum of the United States Government, Department of Justice, dated December 1, 1974, which was submitted to me by the United States attorney under No. GX-3513K.

MR. SCHATTEN: I would submit that that doesn't go to his point. The witness testified --

THE COURT: Let me see it.

MR. SHERR: Page 2, your Honor, the top of the page.

MR. SCHATTEN: The question was did he make a deal in 1974.

THE COURT: It doesn't say he made the deal in 1974.

MR. SHERR: All right.

Q Did you obligate yourself to plead guilty?

A To what?

Q Did you obligate yoruself to plead guilty in 1974? Did you obligate yourself to plead guilty in the Mendlinger case and the Belair case?

A No.

MR. SHERR: At this time, if your Honor please, I again make the same offer.

THE COURT: Objection sustained.

MR. SCHATTEN: I object.

MR. SHERR: You object?

THE COURT: Sure, he objected before.

MR. SHERR: May I have a side-bar conference.

THE COURT: No, I have read it.

MR. SHERR: I ask the United States attorney to concede on December 1, 1974 the assistant Uniyed States attorney --

MR. SCHATTEN: I object, your Honor.

THE COURT: That's true. I ruled that out. You don't get it in by reading from it.

MR. SHERR: May I ask if the assistant United States attorney --

MR. SCHATTEN: Your Honor, I object to this procedure. Mr. Sherr doesn't properly --

MR. SHERR: Just a minute. Don't shout, please.

I have a proper question to ask your Honor. I'm aware of your Honor's ruling. May I ask if --

MR. SCHATTEN: Your Honor --

MR. SHERR: May I ask if Assistant United States Attorney Walker is available subject to subpoena?

I would like to have a subpoena issued for him for the defense.

THE COURT: Is he still with the office?

MR. SCHATTEN: No. I would be delighted to tell Mr. Sherr.

THE COURT: He's not with the office any more. You will have to get him.

MR. SHERR: Will you tell me where he is so I can subpoena him?

THE COURT: Sure.

MR. SCHATTEN: Sure.

THE COURT: Let's get on with this.

BY MR. SHERR:

Q In 1974 was there an agreement to drop charges against you with respect to Cadgie-Taylor?

A I don't think I was ever indicted in Cadgie-Taylor.

Q No, no. Was there an agreement not to bring charges against you?

A As I said, there was no agreement in each individual case whether they were going to indictment me or not indictment me. There was no such agreement as you are referring to, no.

Q Okay. Was there in December of 1974 an

dha Schiffman-cross

agreement between you and United States Attorney John Walker not to bring charges against you by receipt from you of undisclosed compensation in the Knapp Industries case?

A You already --

THE COURT: You have asked that before, about 1972.

MR. SHERR: I'm now asking about 1974.

THE COURT: He's already explained Knapp to you completely.

Q Was there an agreement in December of 1974 with the United States Attorney John Walker not to bring charges against you for the receipt of undisclosed compensation in the offering of Fashion Week?

A No, there was no such agreement.

Q Were charges ever brought against you for that?

A As of yet, no.

Q All right. December of 1974 was there agreement --

THE COURT: Are you putting this on the basis that that is the day the agreement was made? If that is, that's your whole mistake regarding that memorandum. Is that your question to this witness,

whether on that day he made that agreement?

MR. SHERR: I will rephrase the question.

Q As of December 1, 1974, or prior thereto, had you entered into an agreement with the United States Attorney John Walker to the effect that they would not bring charbes against you for the receipt of undisclosed compensation in an offering of Park Avenue Knitting?

A No. That wasn't the agreement. I explained it to you. If you want, I will do it again.

Q No. Were charges brought against you for Park Avenue Knitting?

A No.

Q At any time prior to December 1, 1974, did you make an agreement with Assistant United States Attorney John Walker or any other member of the United States Attorney's Office to plead guilty to conspiracy in the Belair case?

A No.

MR. SHERR: At this time I again offer Government's Exhibit 3513K, dated December 1, 1974.

THE COURT: Mr. Schatten?

MR. SCHATTEN: I think the proper procedure

dha Schiffman-cross

would be to show it to the witness if he wants to offer it.

THE COURT: He's already answered it. Do you object to it?

MR. SCHATTEN: I thought the court previously ruled.

THE COURT: He's now offering it again. What's your position?

MR. SCHATTEN: I will object.

THE COURT: Sustained.

Q You know that the indictment in this case didn't come down until 1975?

A I think you are correct, yes.

Q Pardon?

A I think you are right. I'm not sure of the date.

Q When did you agree to plead guilty in this case?

A After I was indicted.

Q Not until the end of 1975.

A In this case, Belair, yes.

Q Did you ever have any discussions about pleading guilty in this case before you were indicted?

A Yes, right before the indictment came down.

Q Who did you have the discussions with?

A Mr. Schatten.

Q That was before the indictment came down?

A A few days before.

Q Will you tell us what that discussion was?

A That I, according to my arrangement with the government -- I was to plead guilty in another case to a count of conspiracy. I said that is right. And he said, "Well, you are going to be indicted in Belair, and would you plead guilty in the Belair case if you are indicted?" And I said, "Yes."

Q Oh, maybe I misunderstood. You mean your arrangement with the government was that you would plead guilty in three cases.

THE COURT: Right.

A Correct.

Q And --

THE COURT: He told you that a half hour ago.

MR. SHERR: It got by me, Judge. I'm not that smart.

Q And they picked this case as your third case?

A That's right.

Q Get involved in any way, buying the stock, making a market.

A I believe it was the first day of March.

Q When you first got into the stock on the first day of March the stock was 4-1/4 asked and 3-1/2 bid; is that correct?

A I don't know, but I'll assume that if you are reading from the chart it is correct.

Q You actually didn't first come into the Pink Sheets until March 3, is that correct, not March 1st?

A I thought it was the 1st, but you may be right.

Q I will show you a record of transactions, Government's Exhibit 1, and ask you if that is correct?

A According to this it says the 3rd, so I assume it is correct in the Pink Sheets.

Q Yes.

A But I think we bought stock on the 1st.

Q You came in and made a market on that date?

A According to this, yes.

Q On that day when you came into the Pink Sheets for the first time the stock had already risen to 5-1/2, 5-3/4 and 6-3/4; is that right?

A If that --

Q You knew at that time that Mendlinger, Snyder was obligated to buy 40,000 shares in June of 1971 at a price of $2.50 from Mr. Barlow pursuant to a contract they had entered into?

A Did I know that?

Q Yes.

A No, I didn't.

Q You never knew that?

A I don't say I never knew it, but I don't recall him being obligated after we had sold the 40,000 shares -- at what price?

Q $2.50?

A He had an option until that point and --

Q Was he obligated to buy it?

A He was obligated to buy it in June?

THE COURT: Do you know?

THE WITNESS: I don't really recall, no.

Q Do you know as a matter of fact that after the market had collapsed in the Belair stock that he acquired these 40,000 shares?

A Do I know? No.

Q Did you sell him some shares in another company to Mendlinger, Snyder at this time; did you dump some shares on him?

THE WITNESS: No.

THE COURT: So my question to you is, where would you get the stock to give to a purchaser?

THE WITNESS: Well, sometimes you can go short a stock. In other words, sometimes you can sell stock that you don't have, but no doubt that if I would have sold stock on that day at 2-1/2, I would have gone to Mr. Mendlinger and said, "Mr. Mendlinger, Ed, I sold some stock at 2-1/2."

THE COURT: Was there an agreement with him that he would give you that stock?

THE WITNESS: No, I didn't have -- I didn't have a real verbal agreement with him, to the best of my knowledge, that he would give me the stock, but it did work out that way at all times.

Q Would you tell us what the arrangement you had with Mr. Mendlinger was with respect to his supplying you stock?

A Well, at the beginning he just put me in the sheets on the stock. As it got into it, I wound up buying the stock a quarter of a point below every time that I sold the stock from Mr. Mendlinger.

Q Where did you pick up the stock?

A I bought it from Mendlinger, Snyder.

Q What was your usual practice with respect to buying and selling the Belair stock that you followed during the time that you were in the pink sheets?

A My usual practice was, No. 1, that I would, you know, buy or sell the stock and then I would go to Mr. Mendlinger and I would tell him what I had done in the stock, and he'd usually fill me in a quarter of a point below wherever I sold the stock.

After I relooked at the trading records, you know, recently, I saw that I did very little buying of the stock. I did 90 per cent selling of the stock, meaning selling to other firms, and buying from Mr. Mendlinger.

Q I want to show you what has been marked as Government's Exhibit 50B for identification. Can you identify these particular documents?

A Yes. These would be the confirmations that would go out to the firms that either I bought or sold stock to.

Q Were these --

A That was done.

THE COURT: You say 50B?

MR. SCHATTEN: I am sorry. Excuse me. 53B. I apologize to the court. 53B.

THE WITNESS: 53B.

Q These relate to Belair Financial; is that correct?

A Yes.

What would happen is, I would write up an order blank whenever I bought or sold the stock. At that point it would go to another part of the firm, the back office of the firm, where they would do the confirming to the firm that I bought or sold the security from.

Q Were these documents maintained by Icahn in the regular course of business?

A Yes, it is.

Q Were these documents prepared by employees of Icahn in the regular course of their business?

A Yes, it was.

Q Was it in the regular course of business for Icahn to maintain such records as part of its business records?

A Absolutely.

MR. SCHATTEN: I offer them in evidence at this time.

I would also like --

THE COURT: Mr. Sherr?

MR. SHERR: No objection.

XXX (Government's Exhibit 53B received in evidence.)

Q I want to show you what has been marked as

Government's Exhibit 53A for identification.

A Yes.

Q Can you identify that?

A That's the Department of Justice reprint of the -- my trading records that were gotten from Icahn & Company.

THE COURT: Does that mean of 53B?

THE WITNESS: That's 53A.

THE COURT: Is that a reprint of 53B?

THE WITNESS: Yes, it is the same information, but here it is the complete record, where the other was individual confirmations which went to the firms.

THE COURT: 53A was made up from 53B?

THE WITNESS: Yes, exactly.

MR. SCHATTEN: I offer that in evidence at this time.

THE COURT: Any objection?

MR. SHERR: No objection.

(Government's Exhibit 53A received in evidence.)

Q During the time that you were trading the Belair stock, did there come times when you changed the price?

A Yes.

Q Did you have discussions with Mr. Friedlinger in connection with those changes?

A Yes, I did.

Q What were those discussions?

A Well, I can't tell exactly, but we did discuss on the phones about changes of the price of the stock.

Q What were those discussions?

THE COURT: Wait, wait. Did you call him to change the price? Did he call you? How did this happen?

THE WITNESS: I had a direct line to Mr. Mendlinger.

THE COURT: You had a direct telephone line?

THE WITNESS: Yes, a direct telephone line. And many instances, many trades, I would tell him many times what I did during the day in the stock; and, you know, I would many times raise or lower the price on my own, and at other times we would discuss it between.

Q Would Mr. Mendlinger on those occasions indicate to you that he would like the price raised?

MR. SHERR: I am going to object to the U.S. Attorney --

THE COURT: I would ask him to tell us what was said.

Q Would you tell us what was said in those conversations?

A I really couldn't tell you because I really don't remember.

MR. SHERR: I offer it in evidence as Defendants' Exhibit J.

(Defendant Mendlinger's Exhibit J was received in evidence.)

BY MR. SHERR:

Q Do you remember approximately when you first saw this Redstone report, Defendants' Exhibit D in evidence? Was it some time in the beginning of June?

A It was some time after the meeting when Stanley came out to Redstone and before the decision was made whether or not to purchase the block of stock, since it represented a large block of stock that Redstone would have to sell to its customers.

The two analysts were sent out to evaluate the company. They came back, were excited about the company, and that was why we bought the stock, so that this took place after the analysts came back around the time that we bought the stock.

Q How long after the analysts came back, after you got the report, did you buy the stock?

A I really don't recall. I mean, we are talking now in terms of probably days or at most weeks, but nothing more than that.

Q Do you know how many copies of this report

MR. SHERR: You just told me to read it.

THE COURT: The witness admitted as to where it came from. What more do you want?

MR. SHERR: He asked me to read it.

THE COURT: You asked him whether you could, and I do not know why you want to read it. You have the witness' live testimony.

MR. SHERR: I am sorry. I was trying to comply with the United States Attorney.

I have no further questions.

THE COURT: Wait. There are other defendants in this lawsuit, Mr. Schatten.

MR. SCHATTEN: Sorry, your Honor.

MR. GUSRAE: I wish there were not.

THE COURT: Mr. Hafetz, do you have any questions?

MR. HAFETZ: No questions.

CROSS EXAMINATION

BY MR. GUSRAE:

Q I have several questions for you.

With respect to the Redstone report, which has been marked in evidence as Exhibit D, Mendlinger, Snyder's D, as far as you know, is it fair to say that this report is completely accurate? It is regarding your company. As to your knowledge.

A At the time this report was prepared, to the best of my knowledge Neil had sent out to analysts who had nothing to gain one way or another by their report. Okay? They were not employed by Redstone, they were not employed by Belair.

So that it really didn't make any difference to them. They got paid to go out and look at a company, and they got paid the same price whether they came back and said the company was teriffic or they came back and said the company was terrible.

Q So that --

A So that I would assume what they came back with was their honest opinion at the time since they had nothing to gain one way or the other.

Q You have no other knowledge to indicate that it is not accurate?

A I assume that Neil and Ben and George McCloud further felt that it was honest, because they're the ones that sold most of the 65,000 shares to their best customers. I didn't have a retail following. They did. And they sold it to their best customers. And they weren't going to do that.

Q Okay.

With respect to the report itself, did you ever

Q Do you recall anything else about the conversations with Mr. Schiffman and/or Mr. Weisberg about trading in Belair stock?

MR. GUSRAE: I object to any conversations with Mr. Weisberg, complete.

THE COURT: Sustained.

Q Any further conversation with Mr. Schiffman about this matter?

MR. SHERR: With this gentleman?

MR. SCHATTEN: With this gentleman.

A As far as I remember, he was trading the stock and Mr. Schiffman was supplying him stock, or whatever he was supposed to do --

MR. GUSRAE: I object to that answer.

THE COURT: Sustained.

MR. SHERR: I move to strike the answer.

THE COURT: Strike the testimony. If you want to know what Weisberg did, bring him in and let him testify.

Q Do you know Mr. Barry Kobrin?

A Yes.

Q Do you see him in Court today?

A Yes.

(Continued on next page.)

Q Would you point him out to the court and jury?

A Over there (indicating).

MR. SCHATTEN: Is identification conceded?

MR. GUSRAE: Identification, yes.

MR. SCHATTEN: Let the record reflect Nathan Hager has identified Mr. Barry Kobrin, with counsel's concession.

Q When for the first time did you meet Barry Kobrin?

A Somewhere in the spring of '71.

Q Keep your voice up?

A In the spring of '71.

Q What were the circumstances under which you met Mr. Barry Kobrin?

A Mr. Scheer asked me to take a ride with him to New Jersey.

Q Where did you go?

A Went to a brokerage house, I believe it was Halle, Stieglitz, and met Mr. Kobrin.

THE COURT: Who asked you to do this?

THE WITNESS: Mr. Scheer.

Q Were you present at a conversation between Mr. Scheer and Mr. Kobrin at that time?

A Yes.

Q Did there come a time thereafter when you had -- how long was the meeting, by the way?

A Approximately a half hour.

Q Did there come a time when you attended another meeting between -- at which Mr. Scheer and Mr. Kobrin were present?

A Yes.

Q When and where was the second meeting?

A The second meeting was around June, '71 and at Mr. Kobrin's parents house in New Jersey.

Q Would you repeat your answer?

THE COURT: Would you read it back.

(Answer read.)

Q You say it was in June of '71?

A Approximately.

Q What did Mr. Scheer tell you about the second meeting, in advance of that meeting?

A Well, he asked me to go along with him to a meeting in Jersey, that he would meet with some brokers and he would try to interest them in buying large blocks of stock of Belair Financial.

Q Would you tell the court and jury what transpired at the meeting that you attended at Mr. Kobrin's

parent's house between yourself, Mr. Scheer and Mr. Kobrin and the other people thereat?

MR. SHERR: May we have the date of that meeting?

THE COURT: He said some time in June.

MR. SHERR: I'm sorry.

A Well, there was about five or six other people present there, and I assume they were all brokers, and Mr. Scheer offered them to buy maybe 40 or 60 thousand shares of Belair at a discount price. I believe the market at the time was about $4 and he offered them to buy it at $2.50.

Q What else was said in this conversation?

A Mr. Scheer also indicated that they would all make a profit on the stock, being that he knows where the stock is, and --

Q Would you keep your voice up.

A That he knows where the stock is, and within a short period of time they would all be able to sell the stock at a profit.

Q What did Mr. Scheer say with respect to knowing where the stock is? Would you elaborate on that part of the conversation?

A Well, knowing where the stock is means that

he knows --

THE COURT: Not what it means but what did he say in addition to stating that he knew where the stock was?

THE WITNESS: Saying that he knows who owns the stock, who all the people -- in other words, that the people that own the stock are friends of his.

Q Did he allude to who they were?

A No, not specifically.

Q Explain how the people who bought the large blocks of stock would make a profit?

A The stock would go higher and they would be able to sell, he would have some buying put into the stock at higher prices.

Q Did he give any further elaboration on that?

A No.

Q Was there any discussion at the meeting about the reason why the people at the meeting were interested in buying the stock?

A They were all brokers and they would all buy below the market and be able to sell at a profit.

Q Was there any discussion about the interest these people had previously had?

A The way I understood, the only person that had bought the stock before was Mr. Kobrin, and he had bought it at much higher prices and would average out and that would give him a profit for his client or break him even, or whatever.

Q Will you keep your voice up, please.

MR. GUSRAE: He has already answered the question.

THE COURT: He is speaking into his beard, my friend, and I don't think half the jurors can hear him.

You are sitting here as a witness and every one of those jurors has to hear what you say. Now, raise your voice.

THE WITNESS: I will try.

Q Will you repeat what you just said.

A The only person, as far as I knew, who had an interest in the stock from before at that meeting was Mr. Kobrin, and the benefit to him would be to average out. If he had bought at $10 or $12 and he would buy now at $2.50, his average would be $6 or $7, and if the market goes to 6 or 7, he would be even, would not be losing.

Q Was this discussed at the meeting?

A Well, that is what I understood.

Q Was that discussed -- .

THE COURT: Wait.

Mr. Hager, we are not interested in what you understood or what you imagined. We want to know what was said to you, in so many words, and the jury will determine what was meant by it.

A The only thing that was discussed, that Mr. Kobrin had owned shares from before and he would be able to average out at a lower price.

Q Did there come a time when the meeting ended and you left the meeting?

A Yes.

Q Did you travel back to New York with anyone?

A Yes.

Q With whom did you go back to New York?

A Mr. Scheer.

Q Would you tell us what, if anything, was said about Mr. Kobrin on the way back?

A Well, Mr. Scheer said to me on the way back --

MR. GUSRAE: I object to this, your Honor.

THE COURT: Overruled.

A Mr. Scheer said to me on the way back that he would have to take care of Mr. Kobrin for introducing him to these brokers and for buying the stock.

Q Would have to take care of Mr. Kobrin for introducing the brokers and for buying the stock --

MR. GUSRAE: I object to that comment.

A Yes.

THE COURT: Don't do that.

Q Mr. Hager, have you been involved in connection with various violations of the federal securities laws?

A Yes.

Q In what stocks were you involved?

A All State, Lady Goldie, Knapp, Fashion Week, Park Avenue Knitting.

Q Have you pleaded guilty to a charge of conspiring to violate the federal securities laws?

A Yes.

Q Are you awaiting sentence in connection with that particular charge?

A Yes.

Q What is your arrangement or understanding with the government?

THE COURT: He said he was involved in

how many shares Mendlinger, Snyder had?

A Mr. Snyder said there were substantial shares. I don' recall the number. For instance, if it was $3, Kelly, Andrews & Bradley would share 25 cents and Mendlinger, Snyder 25 cents.

THE COURT: I don't understand.

THE WITNESS: If 100 shares of stock was purchased at $3, 25 cents would be credited to Kelly, Andrews & Bradley and the balance would be kept by Mendlinger, Snyder.

THE COURT: Does that mean that the profits were to be based on a cost of $2.50 a share?

THE WITNESS: Yes.

THE COURT: What was Kelly, Andrews & Bradley supposed to do for this?

THE WITNESS: They were supposed to retail stock and get other brokers interested in the purchase of this particular security, make markets.

THE COURT: Why should they get half the profits for doing that?

THE WITNESS: Because there was no other dealer in the sheets and unless a group of dealers were in the sheets, the stock would stay dormant.

THE COURT: I don't understand that. He

his customers.

Did you ever have occasion to pay Mr. Kobrin?

A No.

Q Mr. Scheer, have you ever committed any violations of the Federal securities laws?

A Yes.

(Continued on next page.)

Q Concerning which securities?

A Belair, Knapp, Cadgie-Taylor.

How many did I give you? I don't recall.

MR. SHERR: Three.

A All State, Park Avenue Knitting. I don't recall the other.

Q Fashion Week?

A Yes.

Q Knapp Industries?

A Yes, I said that.

Q A total of how many, seven, sir?

A Yes.

Q What did these violations involve generally?

A Undisclosed compensation to the underwriter.

Q Stock market manipulation?

A Yes.

Q In connection with these various cases, approximately how many people did you provide the government information with?

A Approximately two dozen.

Q When did you begin your cooperation with the government?

A I believe November, '71.

Q November, '71?

A Yes.

Q Were some of these people at Kelly, Andrews & Bradley?

A Yes.

Q Who were some of the people?

A Schiffman, Bassani, Hager and Peltz.

MR. SHERR: Could I have that slower, please?

THE WITNESS: Schiffman, Bassani, Hager and Peltz.

Q At the time you began your cooperation with the government, what was the nature of any understanding you had with the government at the time?

A I didn't know of any understanding.

Q Did there come a time thereafter when you learned you had an understanding with the government? Can you answer that question, Mr. Scheer, please?

A Yes.

Q When was that?

A I believe in '73.

MR. GUSRAE: What?

THE WITNESS: '73.

Q What did you learn at that particular time?

A I was informed that as long as I tell the

truth and don't commit perjury on these matters I would not be charged.

Q You are referring to the matter of Kelly, Andrews & Nradley?

A Yes.

Q From whom did you learn that understanding?

A From one of the U. S. attorneys.

Q Do you recall his name?

A No.

MR. SCHATTEN: No further questions.

THE COURT: Before we start the cross examination, you testified here that you received a call originally from Snyder some time in December or January, 1971, right?

THE WITNESS: Yes, sir.

THE COURT: Did you know Mr. Snyder?

THE WITNESS: Yes, sir. I met him prior to my going to Kelly, Andrews & Bradley.

THE COURT: You knew him before you went to Kelly, Andrews & Bradley?

THE WITNESS: Yes.

THE COURT: Did you see him during that period of time? What was your relationship?

THE WITNESS: Just as a finder, a person

Q Isn't it a fact that you never told anybody from the Government at any of those interviews, or to the grand jury, anything about this supposed payment to Yamada being communicated or being told to Mr. Mendlinger and Mr. Snyder?

A I only answered the questions that were asked of me. I don't know what was written down.

Q I am just asking you in the last four years did you ever tell in any of those interviews or to the grand jury anything like what you have testified to today about that meeting?

A I have only answered the questions as they were asked to me.

THE COURT: That is an answer.

Q And you are saying that nobody asked you in four years whether or not Mendlinger, Snyder knew about this payment to Yamada?

MR. SCHATTEN: Your Honor, I believe he already testified that he previously related that testimony to the U.S. Attorney's office, I believe, three or four questions ago.

MR. SHERR: What? What? You mean when --

THE COURT: Wait. He did not say so, but he now says he was never asked any questions about it and therefore he never related it.

Q The question was, is it your testimony that nobody from the United States Attorney's office either at any of those interviews over four years or in the grand jury ever asked you whether or not Mendlinger, Snyder knew about this supposed payoff to Yamada?

A I am only answering questions. I am answering your questions, I answered all the other questions.

Q Is it your testimony that he never asked you that question?

A I only answered the questions asked of me.

Q Did they ever ask you that question?

A I don't recall.

Q You don't know?

A I don't recall.

Q Pardon me?

A I don't recall.

Q Did they ever ask you a question if you had a meeting in a restaurant with Schiffman and Snyder at which you discussed this payoff of this kickback or whatever you want to call it to Yamada?

A I was asked, to the best of my recollection, what happened at the restaurant.

Q Did you ever tell them what happened at the restaurant?

A I answered the questions. I don't remember what I told them on each occasion.

Q When you say answered the question, isn't it a fact that you never told them that anybody ever told Mendlinger or Snyder that Yamada was getting paid?

A I answered the questions as they were asked of me.

Q Well, did you ever say that?

A I don't recall. I don't have the notes in front of me. I have not seen them.

Q Let me help you to try to refresh your recollection.

MR. SHERR: Will the Government concede that Exhibit 3515A with respect to an interview on March 23, 1972, that there is no reference to a meeting at a restaurant between Snyder and/or Mendlinger, Schiffman and Scheer or any reference to any discussion about payments to Yamada?

MR. SCHATTEN: I don't believe there is any reference at all -- I think that is an improper question. No reference is here whatever to the Yamada transaction, no reference with respect to anything to do with the Yamada transaction.

MR. SHERR: You so concede?

MR. SCHATTEN: I think this is an improper way of doing it, your Honor.

THE COURT: You want him to take each of those

documents and show them to the witness and we sit here --

MR. SCHATTEN: There is no reference whatever to the sale -- no reference whatever with respect to anything to do with Mr. Yamada.

MR. SHERR: Will the Government concede that in the interview of this witness, Perry Scheer, by Thomas Doonan on April 27, 1972, that there is no reference whatsoever to any meeting at any restaurant in which Yamada was discussed or any reference to Mendlinger or Snyder being advised of any supposed kickback or payoff to Mr. Yamada?

MR. SCHATTEN: May we have a side bar, your Honor?

THE COURT: You may.

(At the side bar.)

MR. SCHATTEN: I think, your Honor, it is a waste of everyone's time to go through this one by one. I would be delighted to go through this and allude to whatever there is with respect to the Yamada transaction and if Mr. Sherr wants to read what there is with respect to the Yamada transaction in these notes, he can do that.

THE COURT: This witness said on the stand here today that there was a meeting in a restaurant at which time Mendlinger & Snyder were notified that they had to get up $60,000 in cash to pay Yamada. I have not seen your 3500 material but Mr. Sherr says that no where in any 3500

material is there any reference to a meeting in a restaurant where Mendlinger & Snyder were advised they had to get up $60,000 in cash to pay Yamada.

Now, if there is a reference but it doesn't happen to be in a restaurant, that doesn't bother me. As I gather Mr. Sherr's point, there is nothing in the 3500 material that shows that this witness ever told the Government that Mendlinger & Snyder knew about the $60,000.

MR. SCHATTEN: Your Honor, I have not at this moment reviewed each item with respect to that question. I have perused the grand jury transcript and if you look at pages 30 to 31 --

THE COURT: Let me see it.

MR. SHERR: I am going to go into that, and I have everything marked out, your Honor.

MR. SCHATTEN: Your Honor, I would object to going through this one by one. I would be prepared to go through it and let the record reflect whatever it reflects.

THE COURT: This doesn't go into this. He has one sentence in there that doesn't necessarily mean that they told Mendlinger & Snyder.

MR. SCHATTEN: I will go through this with respect to this question and any other questions he has. I think this method is prolonging it and --

MR. SHERR: This is an important witness.

MR. SCHATTEN: It seems to me that he could have asked me these questions during the recess --

THE COURT: Why should he? The witness is the fellow under oath, not you. If he wants to make the representation that there is nothing in there and you come up with something and put Mr. Sherr in the box --

MR. SHERR: Sure, you put me in the barrel.

THE COURT: I would advise the jury we will have a further review of this so as not to take up the time during trial.

(Continued on next page.)

(In open Court.)

THE COURT: In order to save some time, counsel have agreed that after we adjourn this afternoon they will make a page-by-page review of this and get a stipulation as to what it shows regarding the testimony by this witness as to a conference with the defendants Mendlinger and Snyder regarding a cash payment to Yamada of $60,000.

MR. SHERR: Excuse me, your Honor. I hate to say this to your Honor, but I did not concede that this would be -- he can review it any time he wants, and if I am wrong he can bring it to the Court's attention.

THE COURT: We are going to something else right not.

MR. SHERR: I think it is important that I pursue this point.

THE COURT: Not this particular point regarding a meeting in a restaurant in which this occurred, along the lines that you are pursuing, because we will sit here for a day going through each document.

And it has been agreed as you were up here, and you did not say boo when I said what I was going to tell the jury.

Now, go on to something else and we will come back to this.

MR. SHERR: I cannot --

THE COURT: I say to go on to something else and come back to this. You had your opportunity at the side bar to make your objection, not in front of this jury after I told you what I was going to tell the jury.

MR. SHERR: If your Honor please, I would like to approach the side bar.

THE COURT: No. You may proceed. Come on.

MR. SHERR: Is your Honor instructing me that I have to leave this subject?

THE COURT: I did not say that, did I? For the time being you are going to leave this subject.

Proceed.

MR. SHERR: I am sorry, your Honor, you throw me off kilter.

THE COURT: I am not throwing you off kilter. You are not going to go through each document with this witness. It is there or it is not there, and there is no point of wasting the jury's time while we go through every sheet of paper.

MR. SHERR: May I go to the one document where there is mention of the name?

THE COURT: No. Let us do it all at once.

MR. SHERR: Can I go to what he testified to?

THE COURT: Please, let us get off that one point. I am sure you have other points to interrogate this witness about, and you are going to have all night long to think of something else.

Now, proceed.

MR. SHERR: Would you bear with me just one second, your Honor?

THE COURT: Yes.

MR. SHERR: I would like to proceed to the next point, and I do not know whether I would be contravening your Honor's ruling.

THE COURT: My ruling is quite clear. You can find out from this witness did he ever tell the Government, tell anyone before today, that at a meeting in a restaurant --

MR. SHERR: Or any place.

THE COURT: -- or any place that Mendlinger and Snyder were told that they had to get up $60,000 in cash for Yamada. That issue is put aside for the time being.

MR. SHERR: Or that Yamada was getting any money.

THE COURT: The same thing.

MR. SHERR: Okay.

Q Did you ever tell the Government at any time that Mendlinger, Snyder were ever advised by anybody that Kelly, Andrews & Bradley, you, Schiffman or anybody, that anybody

was supposed to be getting a kickback, any other person? Other than Yamada.

Did you ever tell the Government or the grand jury that any information was ever communicated to either Mendlinger or Snyder that Kelly, Andrews & Bradley were giving money out or making kickbacks or anything like that?

MR. SCHATTEN: So it is clear, you are excluding now Mr. Scheer and Mr. Schiffman from this categorization; is that correct?

THE COURT: You are asking him whether he --

MR. SHERR: Whether he ever told Mendlinger, Snyder. Now, I am excluding Yamada now. I am talking about anybody else.

THE COURT: Do you understand the question?

THE WITNESS: I'm trying to, your Honor.

THE COURT: The question is a simple one. Did you ever tell Mendlinger and Snyder, omitting Yamada, that anybody else was getting a kickback for the transactions in Belair stock?

MR. SCHATTEN: My problem in understanding the question is, does that include Mr. Scheer and Mr. Schiffman?

THE COURT: We are worrying what he said about anybody.

THE WITNESS: I don't recall, your Honor.

THE COURT: He does not recall.

Q Do you recall ever hearing Mr. Schiffman or Mr. Hager or Mr. Peltz or anybody ever telling Mr. Mendlinger or Mr. Snyder that anybody was being paid a kickback by Kelly, Andrews?

MR. SCHATTEN: Your Honor, I am sorry. Now the question is --

THE COURT: Very simple. You may sit down.

If the witness does not understand it, he can say it.

A I don't recall.

Q You have told us that you have been involved in seven criminal activities while at Kelly, Andrews & Bradley; is that correct?

A Yes.

Q There was a time when you were informed of the proposed penalty, of the penalties that you were faced with in the event you were indicted and convicted for those crimes?

A My counsel advised me.

Q You knew that they added up to 70 or 80 years?

A No.

Q What did he tell you that you would face?

A I don't recall. It was a while ago.

ment. Why don't you put your question. He's now read it. Now put your question.

MR. SHERR: Okay.

THE COURT: Did you ever say that Schiffman was angry because Snyder did not control the float?

THE WITNESS: Yes, all of the float.

THE COURT: Because he did not control all of the float.

Q Did you ever say -- "all of the float"?

THE COURT: That's what he says.

Q Is it your testimony that at any time Snyder ever represented to you or to Schiffman that they controlled 100 per cent of the float?

A No, he said he controlled the float.

Q Is that the same thing as 100 per cent?

A No. Just a majority.

Q Do you remember ever saying that Snyder had supposedly -- I withdraw that.

Do you remember ever saying that Snyder told you and Schiffman that he controlled the float, that there was a thin float, and that Schiffman got angry when he found out that the float was heavy and got mad at Snyder?

A Yes.

Q In fact, you said that to the government on May 15, 1972, did you not?

A Yes.

Q So in fact after investigation by you and Mr. Schiffman, or at least by Mr. Schiffman, the conclusion was arrived at that Snyder did not control the float, is that not correct?

A Yes.

Q All right.

You said at the first meeting that Schiffman had with Snyder, Snyder had asked, in addition to what we said before, that he was looking for somebody to retail the stock, to get other dealers to make a market in the stock, is that right?

A Yes.

Q You also said that in return for Kelly, Andrews getting other dealers to make a market in the stock and retailing the stock, they were to get half the profits, right?

A Above a certain price, yes.

Q Yes.

There was no mention at that time or any discussion whatsoever about any manipulation or rigging of prices, was there?

A No, Schiffman wanted to go out to see the company first before he got involved.

Q But was there any discussion about rigging of prices or manipulating stock?

THE COURT: When?

MR. SHERR: At their first meeting.

Q When you said you would give him half the profits.

A Not in detail.

Q Not in detail? In any way?

A Yes.

Q Did you ever say that to anybody before this minute?

A I said I don't recall.

(Continued on next page.)

Q Did you ever make any statement to any United States Government official in any of those seven or eight interviews, or to the grand jury, that there was any discussion between Schiffman and/or you and/or Snyder at that first meeting with reference to a supposed manipulation or rigging?

A I answered whatever questions were put to me.

Q Do you recall ever making that statement to anybody about a manipulation?

A I don't recall.

MR. SHERR: If your Honor please, with respect to this point, as well as to the other point, Mr. Yamada, I am going to reserve my right to come back after all these documents are reviewed to show --

THE COURT: Not "to show," but you may come back to the point.

Q In fact, what you did say to the government in interviews and what you did testify to before the grand jury was that the sole agreement between the parties was that Snyder was looking for somebody to help him retail the stock, he was the financial consultant, that he needed somebody to go out and make a market, needed somebody to find out market makers, and Schiffman at

that time said that in return for this he wanted consideration for half the profits over a certain price?

A What is your question to me?

Q That is the question. Isn't that what you testified to in the past?

A I don't recall what I testified to.

Q Pardon?

A I don't recall the questions that were asked of me.

Q Isn't that what you testified to today on direct examination?

A As forwhat?

Q When his Honor asked you. The agreement that was made at the first meeting --

A The splitting of profits over a certain point?

Q That in return for Schiffman making a market, a retail market, and finding other market makers, that they would get one-half of the profits over a certain point?

A Yes.

Q And that was the whole agreement?

A Yes.

Q Pardon?

MR. SCHATTEN: I would submit the question is what was said in this conversation.

THE COURT: You made your objection. I sustained it.

MR. SHERR: I will withdraw that point at this time.

Q You heard Mr. Schiffman testify to various other things concerning your supposed agreement and arrangement with you concerning either a manipulation of stock or kick-backs or sharing profits or anything like that, and if I have left anything out, I don't mean to do so, but concerning all his testimony.

Was any of that testimony true?

A Absolutely not.

Q In fact, at that time with respect to some of the shares bought from the insiders of Transition Systems, had your firm sold them to various members of your family?

A Yes, sir. A few days after we acquired the free stock from the former insiders after it was freed up we sold some shares to relatives of mine and relatives of Mr. Mendlinger.

Q After you had this meeting with Mr. Schiffman in which he claimed there was an agreement to rig the price of the stock, in which he claimed there was an agreement to

A Yes, the day that Mr. Schiffman left California, around March 2nd, I called the office and in speaking to Mr. Mendlinger he told me that the market price was about $4 and change, $4 plus per share, and I was surprised that the market was at that price and I advised Mr. Mendlinger that I thought it best to sell out all our relatives at that time, so on March 2nd Mr. Mendlinger proceeded to sell out all my relatives.

Q When was this telephone conversation that you had with Mr. Mendlinger?

A On March 2nd, the day that Mr. Schiffman left California.

Q Were your relatives in fact sold out?

A Yes, sir.

Q Were Mr. Mendlinger's relatives sold out?

A Yes, sir.

Q And they were all sold out within a couple of days after the supposed agreement to rig the price of the stock?

A That is correct.

Q They weren't sold to you, were they?

push the price of the stock up, in which he claimed you agreed to share the profits with him, did you call Mr. Mendlinger?

A I'm sorry? No.

Q They were sold to other people?

A They were sold right through the trading account.

MR. SHERR: Will you bear with me a moment? I have to mark an exhibit.

Please mark these two slips P-1 2.

(Defendant Mendlinger's Exhibits P-1 and P-2 marked for identification.)

Q I show you these slips and ask you if these are slips kept in the regular course of business by Mendlinger Snyder reflecting sales and purchases?

A Yes, sir.

Q And who is Fay Wein?

A My aunt.

THE COURT: Which exhibit are you referring to?

MR. SHERR: This is P. I will offer it in evidence first, if your Honor please.

MR. SCHATTEN: No objection.

(Defendant Mendlinger's Exhibits P-1 and P-2 received in evidence.)

MR. SHERR: Exhibit P, if your Honor please, shows a purchase of 100 shares of Transition Systems by Mrs. Fay Wein on February 16th at $2 net.

THE COURT: The purchase by whom?

MR. SHERR: Mrs. Fay Wein.

THE COURT: 100 shares?

MR. SHERR: At a price of $2 net on February 16, 1971, and a sale of 100 shares on March 2nd at 4-3/4 net.

Q Who is Fay Wein?

A My aunt.

MR. SHERR: Please mark these as Q, please.

(Defendant Mendlinger's Exhibits Q-1 and Q-2 marked for identification.)

Q I show you Defendant Mendlinger's Exhibits Q-1 and Q-2 for identification and ask you if these slips were made and maintained in the regular course of business.

A Yes, sir.

MR. SHERR: I offer them in evidence.

MR. SCHATTEN: I have no objection.

(Defendant Mendlinger's Exhibits Q-1 and Q-2 received in evidence.)

MR. SHERR: Defendant Mendlinger's Exhibit Q shows a purchase of 100 shares on February 16, 1971 by an Albert Snyder at $2 net and a sale of 100 shares by Albert Snyder on March 2, 1971 at a price of 4-3/4 net.

Q Who was Albert Snyder?

A My uncle.

MR. SHERR: Will you mark these as Exhibits R-1,

R-2 and R-3, please.

(Defendant Mendlinger's Exhibits R-1, R-2 and R-3 marked for identification.)

Q I show you these slips and ask you if these slips were maintained by Mendlinger, Snyder in the ordinary and regular course of business.

A Yes, sir.

MR. SHERR: Offered in evidence.

MR. SCHATTEN: No objection.

(Defendant Mendlinger's Exhibits R-1, R-2 and R-3 received in evidence.)

MR. SHERR: If your Honor please, Defendant Mendlinger's Exhibits R-1, R-2 and R-3 show a purchase of 300 shares of Transition Systems at $2 net by a Lewis Birner on February 16th. That is 300 shares. A sale on March 2, 1971 of 200 shares at 4-3/4 net, and a sale of 100 shares at 4-1/4 net. The 100 share sale is not dated.

Q Who is Mr. Birner?

A My partner, Mr. Mendlinger's cousin.

MR. SHERR: Please mark this as Exhibit S.

(Defendant Mendlinger's Exhibit S-1 and Exhibit S-2 marked for identification.)

Q I show you Defendant Mendlinger's Exhibits S-1 and S-2 for identification and ask you if these were slips

that were kept in the ordinary course of business of Mendlinger, Snyder.

A Yes, sir.

MR. SHERR: Offered in evidence.

MR. SCHATTEN: No objection.

(Defendant Mendlinger's Exhibits S-1 and S-2 received in evidence.)

MR. SHERR: If your Honor please, Defendant Mendlinger's Exhibits S-1 and S-2 show the purchase by Walter Sag of 100 shares on February 16, 1971 at a price of $2 net and a sale of 100 shares on March 2nd at a price of 4-3/4 net.

Q Who is Walter Sag?

A My brother-in-law.

MR. SHERR: Would you mark this please as T.

(Defendant Mendlinger's Exhibit T marked for identification.)

Q I show you Defendant Mendlinger's Exhibit T for identification and ask you if this slip is kept in the regular course of business as ordinarily maintained there?

A Yes, sir.

MR. SHERR: Offered in evidence.

MR. SCHATTEN: No objection. In the interests of saving time, he may put in any of these documents he

wants to put in.

MR. SHERR: Will you concede they sold their family out on March 2nd?

MR. SCHATTEN: I will concede the documents show whatever they show.

THE COURT: Mark it.

(Defendant Mendlinger's Exhibit T received in evidence.)

MR. SHERR: If your Honor please, Defendant's Exhibit T reflects a sale of 300 shares of Belair Financial stock by David Schildinger on March 2nd at 4-3/4 net.

Q Who is David Schildinger?

A My father.

MR. SHERR: We have been unable to locate the purchase. We only have the sales slip which is for 300 shares sold at 4-3/4 on March 2nd.

Q Did you also tell Mr. Mendlinger when you had this telephone conversation with him about your conversation with Schiffman and your agreement with him?

A Yes, sir.

Q And he was aware of this conversation you had when he sold his family out?

A Certainly.

Q Did you then come back to New York?

A Yes, sir, on March 5th.

Q What happened next with respect to Belair and Transition Systems?

A Over the next week or two weeks the price of the stock continued to rise and I called the company and advised Mr. Maslansky that he should immeidately --

THE COURT: When did you call him?

THE WITNESS: It would be -- I came back on March 5th. It would be within a week, somewhere around the 10th to the 15th of March, your Honor.

THE COURT: Go ahead.

Q Tell us what you told him.

A That since the price of the stock had risen for no apparent reason other than there was excitement being generated in California, to my knowledge, I informed him that I think we should immediately file a Form 10 with the Securities and Exchange Commission, which is something that is a very expensive procedure and is not usually done by small companies. It is strictly a reporting requirement of very large companies which have assets of over $1 million and many other criteria that have to hit.

It also involves getting certified financial statements and it is a very, very expensive and voluminous process which the company really could not afford at that

time.

But I advised in view of the price rise that ensued that there should be an immediate attempt to complete such a document and file the same in Washington, D.C.

Q What did he say?

A He said the company couldn't afford it that he would really hate to have to do it, but if I thought it was advisable for the company he would go ahead with it.

Q Was it done?

A Yes, it was.

Q Now, at that time had Kelly, Andrews come into the sheets as a market maker?

A Yes. When I got back from California I was surprised -- on March 5th I was surprised to see that they had already entered the sheets. I believe because in California Mr. Schiffman had merely indicated to me that he didn't think Kelly, Andrews would in fact go into the pink sheets but that he would attempt to find an additional market maker a friend that he thought would be interested.

Q During this time you were back in New York did you hear from Mr. Schiffman and Mr. Scheer?

A I heard from Mr. Schiffman and spoke to him maybe twice a week.

Q What did you speak about?

EXCERPTS FROM TRIAL RECORD CITED IN CONNECTION WITH APPELLANT'S POINT IB OF THE BRIEF

if we agreed or I agreed with him on the future of the company, the possible future of the company as a viable company.

He said at that time that should we be able to move the price of the stock up, produce a large amount of buying and eventually put away the amount of stock that he had gathered, in other words, resell it to somebody else or the public at higher price, that he would be willing to split the profits from that with us 50-50.

And we said to him, or I think Perry said to him, you know, "From where?" Because at that time, at that meeting, he told us that the stock was trading for less than a dollar.

And we said, "We are going to split the profits from that point."

And he said no, he had expenses in putting the deal together and what he suggested was using a cost price of $3 a share, and therefore anything over and above $3 a share would be split 50-50.

Q Was anything else discussed at this meeting?

A Well, Stan Snyder said he was going to California, and Perry and I said we like the idea, and if what he is saying is true, maybe we would be able

Q Get involved in any way, buying the stock, making a market.

A I believe it was the first day of March.

Q When you first got into the stock on the first day of March the stock was 4-1/4 asked and 3-1/2 bid; is that correct?

A I don't know, but I'll assume that if you are reading from the chart it is correct.

Q You actually didn't first come into the Pink Sheets until March 3, is that correct, not March 1st?

A I thought it was the 1st, but you may be right.

Q I will show you a record of transactions, Government's Exhibit 1, and ask you if that is correct?

A According to this it says the 3rd, so I assume it is correct in the Pink Sheets.

Q Yes.

A But I think we bought stock on the 1st.

Q You came in and made a market on that date?

A According to this, yes.

Q On that day when you came into the Pink Sheets for the first time the stock had already risen to 5-1/2, 5-3/4 and 6-3/4; is that right?

A If that --

at that particular point?

A Yes.

Q What was the discussion between yourself and Mr. Schiffman?

MR. SHERR: May we have a date and place, as best he can.

THE COURT: Yes.

A Kelly, Andrews & Bradley would be the place and the date would be when he returned. He told me --

MR. SHERR: Well, when was that?

THE WITNESS: February.

A He told me that --

MR. SHERR: May we ask the witness if he can pin down what part of February this was, whether it was late February, early February, mid-February?

THE WITNESS: Mid or late. It has been a long time and I don't recall the exact date.

Q Continue, please.

A He said he had visited the company and he liked what he saw and the outlook seemed promising and that he agreed to retail securities and wholesale securities and the striking price for the division of profits was raised to $5 a share.

A The best of my recollection is that Mr. Snyder stated that he had a company located in California --

Q Please keep your voice up.

A Mr. Snyder said that he had a company located in California and that his firm was in the pink sheets and had accumulated control of the floating shares, and that Kelly, Andrews & Bradley could make a couple-of-hundred-thousand-dollar profit if it entered into trading of the securities.

Mr. Schiffman stated that he had a lot of difficulty with California companies and he would only get involved after visiting the company and visiting the management himself, and that he would go to California to see if in fact it was a real company.

Q Was there a discussion about compensation arrangement arrangement above and beyond what you have already alluded to?

A Yes. Mr. Schiffman and Mr. Snyder were negotiating if Kelly, Andrews & Bradley got involved with the trading at a price of approximately $2.50 a share --

MR. SHERR: Wait a minute. Is this still the first meeting he is talking about?

THE WITNESS: In the office.

MR. SHERR: In December of 1971 --

THE COURT: Or January.

A They were striking a point, division of profits, at $2.50 a share and anything above $2.50 a share would be shared equally.

THE COURT: What does that mean? You mean if you made a profit of $2.50 a share?

THE WITNESS: Yes, sir.

Q Would you explain that, please?

A Anything $2.50 and below would be the profit of Mendlinger, Snyder; any profit above $2.50 a share would be shared 50-50 between Mendlinger, Snyder and Kelly, Andrews & Bradley.

THE COURT: Does that mean if they bought the stock at $2 a share and sold at $3 a share, Kelly, Andrews wouldn't participate in that profit?

THE WITNESS: No.

THE COURT: What was the arrangement? Your description is not understandable.

THE WITNESS: The inventory of securities were held at Mendlinger, Snyder. If Kelly, Andrews & Bradley --

THE COURT: At that point did you know

A Yes. I have a wife in the hospital with a brain tumor operation and it is --

MR. SHERR: I object to that, your Honor.

Q Take a look at the paper and refresh your recollection, and I refer to the very top of your statement (handing).

A What was the date of the other --

THE COURT: What is that date?

A May 16, 1972.

Q Doesn't that refer to the December, '70 meeting?

A Yes.

Q Doesn't that say that you told the government that the agreement was that Kelly, Andrews was to get a block of stock and not anything at about getting a share of the profits over $2.50 or any other price, the way you testified today?

MR. SCHATTEN: Objection. Improper question.

THE COURT: Overruled.

MR. SCHATTEN: What that document says?

THE COURT: Obviously I assume that if the government has produced it it is because it is what

you claim this witness told you back in 1972.

MR. SCHATTEN: I thought the question should be does it refresh his recollection of what he told the government.

THE WITNESS: Your Honor, I had many meetings --

Q We are only talking about this meeting.

THE COURT: We are only talking about this one.

On that day --

THE WITNESS: On that day, May 16th, that is what I told the government.

Q Okay.

When were you telling the truth, on that day or today --

A I don't remember.

Q -- or either time?

A I tell the truth all the time. I don't recall the way the questions were asked of me at each interview.

Q So you are saying that they are both the truth, right?

A Yes.

Q You are saying that when you spoke to the

government on May 16th the truth was that the agreement with Kelly, Andrews was that they were to get a block of stock, and that when you testified today the truth is that they were not to get a block of stock but were to get profits over $2.50?

A That's right.

Q You don't agree that there is a difference between those two versions of your story?

A No, because if you --

Q You feel that --

MR. SCHATTEN: Your Honor, could he be permitted to finish?

MR. SHERR: I will let him say anything he wants.

MR. SCHATTEN: I object to your pointing your finger at me, Mr. Sherr.

MR. SHERR: You have my apology.

A If you take it further, you will see that the agreement was made between $4.50 and $5 and the striking price was the actual agreement.

Q I am talking about the first agreement, on this first day. There is nothing in this first agreement about $4.50 or $5 or any price or any share of profits, is there?

Q "Q Were there any further discussions between yourself, Mr. Schiffman, Mr. Mendlinger and Mr. Snyder with respect to this arrangement?

"A Yes. The arrangement changed and Mr. Snyder, he was going to hire a public relations firm, and the division of profits would be in cash and take place after $5-1/2 a share."

Do you remember that question and answer?

A I'm not clear on it.

Q You are not sure?

A No.

Q I will show it to you.

Do you remember it now?

A Yes.

Q That is another story other than what you said on direct, isn't it?

A Such as?

Q Didn't you say that the arrangement changed to 50 per cent of the profit over $5 a share?

A 5 -- possibly.

Q At the grand jury you said 5-1/2. At your meeting with the Government, you said it was for a block of stock?

A You're talking different meetings now.

EXCERPTS FROM TRIAL RECORD CITED IN CONNFCTION
WITH APPELLANT'S POINT II OF THE BRIEF

conversations with Mr. Grindlinger in that connection?

A Yes. He called back and he stated that he did locate such an attorney and the check could be directed to the attorney.

Q Did he give the name of the attorney?

A Markowitz.

Q What name?

A Markowitz.

Q Did he have a first name?

A Lewis Markowitz.

Q What occurred thereafter?

A Stuart gave Snyder, gave him the name, Snyder said to come over, pick up the check, and Schiffman and I walked over and picked up the check --

Q When?

A On the 25th of March.

Q What was the check that you received?

A $8,000, to Lewis Markowitz.

Q Is that Government's Exhibit 9 in evidence?

A Yes.

Q Did there come a time after you received the check from Mendlinger or Mr. Snyder that there was a meeting with Mr. Grindlinger at Kelly, Andrews & Bradley?

A To the best of my recollection, the next day Mr.

Grindlinger came to the premises of Kelly, Andrews & Bradley and Mr. Schiffman handed him a check.

Q Was there any conversation at that time with respect to the check or Belair Financial?

A I don't recall any specific conversation except Grindlinger thanked him for the check.

Q Was there any discussion at all about the issuer of the check?

A I don't remember.

Q Apart from that transaction, did there come a time where there were additional conversations with Mr. Grindlinger in the latter part of April, 1971 with respect to Belair Financial?

A Well, there was an awful lot of conversations about Belair, how high the stock would go -- it was moving well -- and when possibly he could sell.

Q Did there come a time when there was a conversation with Mr. Grindlinger with respect to the sale of the Belair stock?

A Yes.

Q When was that? If you would like, please refer to Government's Exhibit 52 in evidence and please allude to the May 7th settlement date.

A Yes. Stuart Schiffman called up Grindlinger and

asked him to sell the stock at a price of $12-1/2 and Grindlinger sold 4500 shares with a settlement date of May 7th at $12-1/2.

Q To whom did he sell the stock?

A Kelly, Andrews & Bradley.

Q The settlement date was May 7th and the trade date was when?

THE COURT: How many shares?

THE WITNESS: 4500, your Honor.

THE COURT: What date was the trade date?

THE WITNESS: I believe the 1st or the end of April, the 31st -- seven days, whatever the calendar break was.

Q April has 30 days, is that correct?

A April 30th.

Q The 30th of April was the sale, is that correct?

A Right.

Q You referred to Mr. Grindlinger. Did you have occasion to bring in any buyers into the Belair Financial situation?

A Yes, I did.

Q Will you tell us about some of those?

A I brought in Mr. Kobrin.

Q Do you see Mr. Kobrin in Court today?

A Yes.

Q Would you point him out to the Court and jury?

A (Indicating.)

MR. SCHATTEN: Let the record reflect the witness has identified Mr. Kobrin.

Q How long have you known Mr. Kobrin?

A Many years.

Q How old were you when you first met Mr. Kobrin?

A I guess about 23 years.

Q Pardon?

A About 23 years, more or less. I am not sure.

MR. GUSRAE: I couldn't hear that.

THE WITNESS: 23 years of age or less, I am not quite sure.

MR. GUSRAE: That is when you first met Mr. Kobrin?

THE WITNESS: That was the question.

THE COURT: That was the question.

Q You have known him for a good number of years?

A Correct.

Q As of the spring of 1971, is that correct?

A Right.

Q Would you tell the Court and jury what discussions you had with Mr. Kobrin -- the first discussion you had with him with respect to Belair?

MR. GUSRAE: Can we get a date and place?

Q Try to fix that as best you can, Mr. Scheer.

A I am not sure -- the place would be Kelly, Andrews & Bradley, but I am not sure of the date. It could be late March, early April.

Q Late March or early April of 1971?

A Right.

Q Tell the Court and jury was it a personal meeting or telephone conversation?

A It was a telephone conversation and I was asked what stocks Kelly, Andrews & Bradley favored at this time or was involved with, and I mentioned to him Belair Financial and I told him that Kelly, Andrews & Bradley was doing a lot of retailing in the ttock and the stock had moved sharply and probably could go higher.

At that point he said he would buy securities or stock in Belair Financial for some of his customers.

Q Pardon?

A He said he would buy stock in that security for his customers.

Q Was there anything else said in this conversation with respect to Belair Financial at that time?

THE COURT: We will adjourn for lunch until 1:40 p.m.

(Jury leaves courtroom.)

MR. KATZ: Your Honor, I wish your guidance in terms of responding to the subpoena duces tecum.

THE COURT: I don't give you any guidance. You are a lawyer. There is the Government (indicating). You talk to them and if you have any problems you know how to do it; not by sending me a letter by hand when I am in the middle of a trial.

(Luncheon recess.)

AFTERNOON SESSION

1:40 p.m.

(In the robing room.)

MR. SCHATTEN: Your Honor, during the luncheon recess we found the transcript in the case of United States V. Salvatore Cioffi, 72 CR. 1078, in which the witness Scheer testified.

The document is voluminous and we did excerpt -- I mean, we indicated by paper notations portions of Mr. Scheer's direct and cross examination, in which Mr. Scheer's arrangement with the Government was discussed.

I would like to at this time turn over the original to Mr. Sherr for his use, and he can turn it over to counsel in turn.

The pages are 233 to 248 and continuing from 318 to -- it once again begins at 318 and there is also additional references on 349. The portion beginning at 318 continues on et seq., 318 et seq., and also again begins at 349, continues to 351, and there is also a reference at 355.

THE COURT: 318 goes how far?

MR. SCHATTEN: That is what I am trying to ascertain. My impression is it goes all the way to 349.

MR. SHERR: And starts again at 349.

MR. DOONAN: The direct testimony is not very long at all.

THE COURT: We have that in the record. We want to know the cross.

MR. DOONAN: The cross is quite extensive and it is off and on through a number of pages.

To be fair with the gentlemen, I would suggest that they read everything from page 318 through page 355, inclusive. They go back and forth to the arrangement.

I didn't have really that amount of time to read this thing extensively at lunch. I did the best I could.

THE COURT: Who represented him in that case?

MR. DOONAN: Mr. Sagor represented the Government.

THE COURT: Who represented the witness?

MR. DOONAN: Mr. Scheer is the witness.

THE COURT: All right.

MR. DOONAN: This is the only criminal proceeding that Mr. Scheer testified in, to my knowledge.

MR. SHERR: I believe there was some mention about a civil SEC proceeding.

THE COURT: That was the one that Mr. Kobrin said he had and would show you.

MR. SHERR: He said he would give it to Mr.

Schatten.

THE COURT: He said he would show it to you outside, on the record. He said in the courtroom outside he would give it to you. You were standing there.

MR. SHERR: I did not get it.

THE COURT: He said he would give it to you. That is not my problem to follow up what you are supposed to get, my friend. He, in the courtroom, said he had it and would furnish it to you. So do not come in and say you do not have it. It is up to him.

MR. SHERR: It is the truth.

THE COURT: It is your problem. Do not bother me with it and do not bother the record with it.

MR. HAFETZ: Will we have an opportunity to read this?

THE COURT: You will. We will have a recess when he finishes the direct examination.

MR. SHERR: If your Honor please, Mr. Doonan has said that he has not had a chance to look through it to know whether or not that is all the material that is pertinent, 318 to 355. There may be other material in there, and I would like an opportunity to look through it. It is a rather voluminous transcript and I will need more than a few minutes to do it. Or, have Mr. Doonan look through it.

THE COURT: While you are outside finishing this man's direct, why don't you go through beyond page 355?

MR. DOONAN: Yes, your Honor.

THE COURT: All right.

MR. SHERR: I understand that there may be some testimony in there about his involvement in other crimes, and I think that is pertinent 3500 material.

(Continued on next page.)

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THE COURT: Involvement in other crimes?

MR. SHERR: Yes.

MR. DOONAN: That is correct, your Honor, and when I gave you those pages, I indicated that information is in those pages.

MR. SHERR: Oh, it is in those pages.

MR. DOONAN: Yes.

THE COURT: Okay.

MR. SCHATTEN: The only other point that I guess might come up this afternoon is the Kobrin testimony. Once again, our intention is we are willing to go along with Mr. Gusrae to the extent of obviously alluding to the rights of which Mr. Kobrin was advised in the grand jury.

Our position essentially is that, under the doctrine of completeness, we prefer to read only those portions which directly relate to the perjury counts.

THE COURT: That's what you want to read?

MR. SCHATTEN: That's correct.

THE COURT: His application is for me to let him read and I gather you are opposing it.

MR. SCHATTEN: That's correct.

THE COURT: I obviously disagree with you so far on some. Some he can read, some he

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can't read.

MR. SCHATTEN: Fair enough, your Honor.

THE COURT: By the time you are ready to do it, we will have it.

I understand the jury is outside. It's 2 o'clock. Let's get on with it.

(In open court; jury present.)

P E R R Y J O E L S C H E E R resumed.

MR. SCHATTEN: May I proceed, your Honor?

DIRECT EXAMINATION CONTINUED

BY MR. SCHATTEN:

Q Mr. Scheer, I believe when we were concluding the noon recess I had asked you about your first conversation with Mr. Kobrin in connection with his purchasing shares of Belair Financial. You told the court and jury --

MR. GUSRAE: Your Honor, please, I don't believe he is entitled to comment on the testimony the way he has.

THE COURT: I just thought he was summarizing where we were. I don't see any objection to it.

Q Is there anything else you would like to tell the court and jury about the first conversation you had with Mr. Kobrin in respect to Belair Financial?

A No.

Q Did there come a time when you had a second conversation with Mr. Kobrin with respect to Belair Financial?

A Yes.

Q As best as you can, fix it. When was that?

A About a week or two from the first conversation.

Q Would you tell the court and jury, was that a personal meeting or was it a telephone conversation?

A It was a telephone conversation.

Q Please tell the court and jury what you said to Mr. Kobrin and what he said to you.

A To the best of my recollection, it was a telephone conversation I was on at the premises of Kelly, Andrews & Bradley.

Q Keep your voice up louder, please.

A And Mr. Kobrin informed me that he started to buy shares of stock in Belair Financial, and that if it looked promising he had additional buying power, whereas he can buy more of these shares of Belair.

Q What did you say to him?

A I said it looked promising and I would check

with Schiffman. And I told Schiffman about my conversation with Mr. Kobrin, and he said I better go out there and make sure I sell some stock to him; make sure he buys some more stock, the stock was under some pressure.

Q Did there come a time when you spoke with Mr. Kobrin once again about Belair Financial?

A Yes. I called him to set up a meeting.

Q What was said in that conversation?

A I told him I would like to come out to talk to him about Belair Financial.

MR. GUSRAE: Could we have the time on that, please?

A About two weeks after he bought the first shares of stock.

THE COURT: What was that call, in relationto the telephone call you just related, where he said he had been buying some and if it looked promising you should buy more?

THE WITNESS: In relation to the time, your Honor?

THE COURT: Yes.

THE WITNESS: I said it was about a week after.

THE COURT: Now, that's the second call.

Now, you started talking about a third call?

THE WITNESS: Yes, sir.

THE COURT: How long after the second call did the third call come?

THE WITNESS: Either the same day or the next day, your Honor.

Q What was said in this third conversation?

A I said I would like to come out to talk with him further about Belair Financial, and he said he would see me and I should come out to his office.

Q Did there come a time when you had occasion to go to Mr. Kobrin's office?

A Yes.

Q Tell us what occurred thereafter?

A Mr. Hager drove me out to Mr. Kobrin's office in New Jersey and we met in his office and then I believe we went to a local hamburger place outside the premises to discuss the situation.

Q What was said in that connection?

A I gave him as much background as I could about the Belair Financial stock --

Q What did you tell Mr. Kobrin?

A That the stock had moved up sharply and that large buyers were being approached to buy additional shares of stock, and that he could make some money himself for buying the stock and his client could make money buying the stock.

Q Would you further elaborate on how much Mr. Kobrin would get for himself?

A I told him between a point and a point and

a half in cash per share of stock purchased.

THE COURT: Wait. Are you talking about Kobrin buying stock and holding it while the stock goes up and then selling it and making a profit, or are you talking about giving Kobrin money to buy stock?

THE WITNESS: I am talking about giving him money to buy stock for himself and after it moved up, his customers selling the stock at a higher price.

Q The money would be given to Kobrin in connectionwith putting his customers in the stock?

A Yes.

MR. GUSRAE: Your Honor, could I have the last answer read back?

THE COURT: Yes.

(Answer read.)

THE COURT: Start it all over again. You went out to Kobrin's office?

THE WITNESS: Yes, sir.

THE COURT: What did you say to him specifically? Because so far what you have said is gobbledygook. I don't know whether you are giving him money so that he could buy stock with it --

THE WITNESS: I see. I offered him for

compensation for having his customers buy stock, compensation to himself --

Q How much did you offer him?

A Between $1 and $1.50 per share of stock purchased by him for his customers.

Q That is for each share he bought for his customers he would get $1 or $1.50 cash?

A Yes.

Q What did Kobrin say to you?

A Yes.

Q What did Kobrin say to you?

A He wanted to know how high the stock could go where his customers could receive a profit, and I said I believed between $20 and $22 a share, and he wanted to know the timing of the stock as far as when they could sell it, and I said, "Short term."

Q Was anything else said in that discussion?

A I told him it was a thin float and any buying should move the stock higher.

Q Anything else said in this conversation?

A I don't recall.

MR. GUESRAE: Your Honor, could we have a date as to this conversation?

THE COURT: He has given you that date.

It was a day after Kobrin called him the second time.

Q Did Mr. Kobrin, to your knowledge, purchase additional shares?

A Yes.

THE COURT: Kobrin purchased additional shares or customers purchased additional shares?

Q Were additional shares purchased by Mr. Kobrin for his customers, to your knowledge?

A Yes.

Q Did there come a time in the summer of 1971 when you had occasion to confer with Mr. Stanley inside about the purchase of a large block of stock?

A Yes.

THE COURT: Summer of 1971 could be June, July, August, September.

Q In June of 1971, with respect to the purchase of a large block of Belair stock.

A Yes.

Q Will you tell us about that conversation?

MR. SHERR: Place, please? Is this the telephone conversation?

THE WITNESS: Yes.

A I called Mr. Snyder regarding the last block of stock that Mendlinger, Snyder had in their

possession and I informed him that a buyer had been located for that block of stock, and I was told that it is too late, that arrangements had been made with Redstone Securities for that block of stock.

Q Prior to that time did you have any discussion with Mr. Schiffman about that particular block of stock?

A Mr. Schiffman wanted very much to buy that block of stock and remove it from an overhanging supply on the market so that the price could rise again.

MR. SHERR: This in June of 1971, this conversation with Schiffman?

THE WITNESS: May or June, yes.

Q In connection with that conversation, did you have occasion to see Mr. Kobrin?

A Yes. Mr. Hager drove me to a home in New Jersey where I met Mr. Kobrin and other people assembled to talk about the Belair Financial, and I was asked questions about whether the company was functional, whether it was in business, whether it was in business, whether it was sound, whether the financials were sound and what was the problem with the stock declining in price so rapidly, and I told them Kell, Andrews & Bradley never had control of the float,

mcjb 2

take any more requests, period.

MR. SCHATTEN: I notice the defendants are presumably sitting in the back of the room with their wives. I ask that they sit in their normal places.

THE COURT: They can sit wherever they want, Mr. Schatten.

MR. KAPLAN: I asked Mr. Schatten yesterday to return to Mr. Kobrin the material that Mr. Kobrin turned over to Mr. Schatten pursuant to the subpoena and Mr. Schatten refused. He says he will not turn it over in his discretion.

THE COURT: He can keep the material until the jury's verdict. But, Mr. Schatten, you will turn it over directly after the jury's verdict.

MR. SHERR: I have the same request, your Honor.

THE COURT: Same ruling.

(In open Court with the jury present.)

THE COURT: Mrs. McDermott, ladies and gentlemen of the jury:

We have now reached the point in this trial when you are about to enter upon your final function as jurors, which is, of course, one of the sacred duties of citizenship. You have given careful attention to the evidence during the course of the trial and I am certain that you

mcjb 3

will conduct your deliberations in the same fine spirit that you have so far displayed and with impartiality and fairness reach a just verdict in this case.

You have sat patiently for the past three weeks listening to 44 witnesses testify on behalf of the Government and the defendants. The typewritten record of their testimony covers nearly 3,000 pages. You have witnessed the lawyers for both sides examine and cross examine witnesses, jump up with many objections and request innumerable side bar conferences.

And now we reach the point where you and you alone take over the proceedings.

In our Court system the functions of the judge and the functions of the jury are clearly defined. It is my duty to instruct you as to what the law is and it is your duty to accept the law as I state it to you.

Just as I am the exclusive judge of the law, so you are the exclusive judges of the facts. You alone determine the credibility of the witnesses, and the weight, effect and value which should be given to the testimony. It is up to you to determine from the evidence you have heard what the facts are in this case, and from those facts decide whether a defendant has violated the law.

This is a criminal prosecution in which the

mgb 4

Government is one party and the defendants are the others. The fact that the Government is a party entitles it to no greater and no lesser consideration than any other party. It is entitled to the same consideration as given to the defendants, no more and no less.

This case must be decided within the scope of the charges against each defendant as contained in the indictment, but before discussing the law applicable to the charges of the indictment, let us consider some general principles which apply to every criminal case.

An indictment itself is not evidence. It merely describes the charges made against a defendant and may not be considered by you as evidence of the guilt of a defendant. Nor can the fact that a grand jury has found this indictment in any way detract from the presumption of innocence with which the law surrounds a defendant unless and until his guilt is proved beyond a reasonable doubt.

The charges against all the defendants in Counts 2 through 11 have been withdrawn from your consideration, and the charges in Counts 14 against Snyder and Counts 16 and 18 against Kobrin have also been withdrawn from your consideration.

The withdrawal of Counts 2 through 11 occurred

on the consent of the Government based simply on a request of the Court to lighten your burdens and does not in any way constitute an admission by the Government that those charges have not been proven.

The withdrawal of Counts 14, 16 and 18 is based on a legal decision.

The fact that all of these counts have been withdrawn should not be considered or discussed by you or influence you in any way in passing upon the guilt or innocence of any of the defendants on the counts in the indictment which are being submitted to you for your determination.

Each of the five counts which you will consider alleges the commission of a separate and distinct defense. It will be necessary for you to reach a verdict of guilty or not guilty as to each of the defendants separately on each of the counts of the indictment in which he is named.

You must consider and weigh the evidence separately as to each defendant in each count. The fact that you may find all or some of the defendants guilty or not guilty of one of the offenses charged should not control or influence your verdict with respect to any other offense of which the defendant is charged, or to a charge against any other defendant.

Similarly, the fact that defendant Stuart Schiffman pled guilty to one count of this indictment is not evidence of the guilt of the defendants on trial here, either with respect to that count or to any other count. You may not consider such plea of guilty in any respect in passing upon the guilt or innocence of the defendants on trial, although you may consider it with respect to the credibility of Mr. Schiffman, as I shall explain to you later on.

As you have learned from the testimony, Perry Scheer, Akiyoshi Yamada, Nathan Hager, Stanley Peltz and Martin Messinger, were not indicted by the grand jury, but were named only as co-conspirators. The reasons why these persons were not indicted must play no part in your deliberations except insofar as they may be considered by you on the issue of credibility of those who have testified on behalf of the Government.

Whether persons who may be involved with others in alleged criminal conduct should be indicted or not is a matter solely within the discretion of the United States Attorney and the grand jury. It should be obvious, therefore, that whether someone is or is not indicted has on its face no connection with guilt or innocence of someone else who is indicted.

mcjb 7

Thus, you may dra no inference, favorable or unfavorable, either to the overnment or to the defense, by reason of the fact that certain persons were merely named as co-conspirators.

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Each defendant has denied the charges in the indictment. By his plea of not guilty, each defendant has put into issue every material fact alleged in the accusations brought against him. Accordingly, the government, having made the charge, has the burden of proving beyond a reasonable doubt each material element of each count of the indictment. This rule applies to each defendant individually as to each of the charges in the indictment in which he is named. This burden of proof never shifts. It remains with the government during the entire trial and during your deliberations as jurors.

A defendant does not have to prove his innocence. He is presumed to be innocent, and this presumption is overcome only when you reach a conclusion from the evidence that his guilt has been established beyond a reasonable doubt.

What is meant by a reasonable doubt? There is nothing mysterious about the term. It means, as the words themselves indicate, a doubt based upon reason and common sense which arises after consideration of all of the evidence.

Reasonable doubt is a doubt which would cause reasonable persons to hesitate to act in matters of

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importance to themselves. It is not a vague, speculative, imaginary something, and a person may not be convicted on mere suspicion or conjecture.

On the other hand, a reasonable doubt does not exist merely because a juror does not wish to perform an unpleasant duty. A reasonable doubt may arise not only from the evidence produced, but also from a lack of evidence.

A defendant may also rely upon evidence brought out on cross examination of any of the witnesses who have testified on behalf of the government. He may raise a reasonable doubt in your mind as to existence of one or more of the essential elements of the crime without affirmatively presenting his version of all or any of the facts. This is so because the law does not impose a duty upon a defendant to produce any evidence.

The law does not compel a defendant to take the witness stand and testify, and no presumption of guilt may be raised, and no inference of any kind may be drawn from the failure of the defendant to testify.

It is not necessary for the government to

prove the guilt of a defendant beyond any possible doubt. Proof is usually not a matter of mathematical or absolute certainty. In the nature of things it can't be. However, in order to sustain a conviction there must be such proof as satisfies your reason as intelligent people beyond any reasonable doubt that a defendant is guilty as charged. If you don't have a reasonable doubt of a defendant's guilt as to the material elements of a charge, then you should return a verdict of guilty as to that defendant on that count.

On the other hand, if you do have a reasonable doubt as to a defendant's guilt as to any of the material elements of the crime charged, then you must return a verdict of not guilty as to that defendant on that count.

As you know, the charges in this case center on the alleged violation of the federal securities laws, which were enacted by Congress to protect the investing public in the purchase and sale of stocks and securities that are publicly distributed. All of the defendants are charged with having conspired to illegally manipulate the price of Belair shares and in so doing fraudulently deceived the investing public.

R-40

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Such manipulation, if proven, would violate the Securities Exchange Act of 1934.

In addition, the defendant Edwin Mendlinger is charged with making and causing to be made false statements on a United States corporate income tax return of Mendlinger, Snyder, Inc., in violation of Section 7206-1 of Title 26 of the United States Code.

Finally, defendant Kobrin is separately charged with two counts of perjury, that is, making false statements under oath before a grand jury.

As I have said, the federal securities laws were enacted by Congress to protect the public in the purchase and sale of stocks that are traded in public markets. They provide for regulation of sales of securities and regulations of securities exchanges and over-the-counter markets to prevent inequitable and unfair practices on such exchanges and markets.

The idea of a free and open market is based upon the theory that competing judgments of buyers and sellers as to the fair price of a security brings about a situation where the market price reflects as nearly as possible a just price. In short, the idea is to assure legitimate market activity. Any manipulation or deceptive practices, whether it be a

misstatement of material facts or omission to state material facts, the creation and maintenance of an artificial market by contrived purchases and sales, or payments to brokers to induce them to trade a particular security at an artificial price, defeats the function and purpose of the true and free market and is illegal.

Thus, the Securities Exchange Act of 1934 was enacted to protect the innocent and unaware investor who invests his money in stock believing it is fair in its price and that its price is not an artificial one.

Now, you first will consider the conspiracy count in the indictment, which is count 1. This count charges that from on or about September 1, 1970, up to and including May 1, 1974, the defendants Edwin Mendlinger, Stanley Snyder, Stuart Schiffman, Bernard Grindlinger and Barrett Kobrin unlawfully, wilfully and knowingly conspired among themselves and with Mendlinger, Snyder, Inc., Kelly, Andrews & Bradley, Perry Scheer, Akiyoshi Yamada, Nathan Hager, Stanley Peltz and Martin Messinger to violate Section 10(b) of the 1934 Act and Rule 10b-5 of the Securities and Exchange Commission.

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In essence, it is claimed that they attempted to defraud buyers of the shares of stock of Belair Financial Corporation. Section 10(b) and Rule 10b-5 make it a crime for any person in the course of the purchase and sale of securities to employ any scheme or device to manipulate the price of such securities or to engage in a course of business which would operate as a fraud upon the purchaser of such securities, or to make a material untrue statement or to omit to state a material fact necessary to make statements made not misleading.

I will describe the meaning of these laws and rules in more detail later on in this charge when I discuss the substantive count of security law violations.

Now, what is a conspiracy? It is a combination or agreement of two or more persons by concerted action to accomplish a criminal or unlawful purpose, and one or more of the persons who are members of the conspiracy does any act to effect or further the object of the conspiracy. It is a partnership in criminal purposes in which each member becomes the agent of every other member and is a crime in itself.

To prove a conspiracy here, the evidence

dha7

must show beyond a reasonable doubt the existence of each one of the following elements:

First, that the conspiracy described was formed and existing at or about the time alleged;

Second, that it was part of the conspiracy that the defendants and co-conspirators, in connection with the purchase and sale of the common stock of Belair Corporation, would unlawfully, wilfully and knowingly use means and instrumentalities of interstate commerce and the mails to use and employ deceptive and manipulative devices and contrivances in contravention of Rule 10b-5 of the rules and regulations promulgated by the Securities and Exchange Commission, to which I have already referred;

Third, that the defendant knowingly and wilfully became a member of such conspiracy;

Fourth, that one of the conspirators thereafter knowingly committed at least one of the overt acts charged in the indictment at or about the time and place alleged; and,

Fifth, that such overt act was committed in furtherance of some object or purpose of the conspiracy as charged.

Now, as to the formation of a conspiracy, it is not necessary that there be proof that the participants met together and entered into a formal or written agreement, or that they directly stated between themselves what their object or purpose was to be, or the details of the plans, or the means by which the purpose was to be achieved.

Indeed, it would be extraordinary for the members of the conspiracy to set forth all the actual details of their arrangements in a formal and written agreement. When persons, in fact, embark together upon a criminal conspiracy, much is often unexpressed, much is left to unwritten understanding. Generally, such a criminal conspiracy is a matter of inference, deduced from the acts and statements of the alleged conspirators.

As far as the first and second elements of the crime are concerned, what the evidence must show in order to establish that a conspiracy existed is that at least two of the alleged conspirators in some way or other, positively or tacitly, came to a mutual understanding to engage in a common unlawful agreement to violate the Federal securities laws.

In determining whether or not there was such an unlawful agreement, you may judge the acts and conduct of each of the alleged conspirators as a whole and the

mcjb 2

reasonable inferences to be drawn from such evidence.

The indictment alleges that the conspiracy commenced on or about September 1, 1970 and continued to May 1, 1974.

The Government is not required to prove that the alleged conspiracy existed over the whole course of time set out in the indictment. It is sufficient if you find that at any time within that period all of the elements of the alleged conspiracy have been proven to your satisfaction beyond a reasonable doubt.

The fact that the Government may not have proved that the conspiracy was carried on as early or as long as the indictment alleges is not of any importance so far as the elements of the crime are concerned.

If you satisfy yourselves beyond a reasonable doubt that the conspiracy alleged in the indictment existed, then you must determine, as to each defendant, whether he knowingly and willfully was an active participant in the unlawful plan, with the intention of furthering its objectives. Mere knowledge of an illegal act on the part of some other co-conspirator is not sufficient.

Merely acting in a way which incidentally furthers the purpose of a conspiracy, without knowledge that a conspiracy exists, does not make a person a member of a

conspiracy. The scope of each defendant's agreement must be determined individually from what was proved as to that defendant.

You may find the defendant acted knowingly and willfully if he acted voluntarily and purposely and with specific intent to do something which the law forbids. That is to say, that he must have acted with evil motive or bad purpose to disobey or to disregard the law, and not because of negligence, mistake, inadvertence or other innocent reason.

It is obviously impossible to ascertain or prove directly what a person knew or intended. You cannot look into a person's mind and see what his intentions were or what he knew. But a careful and intelligent consideration of the facts and circumstances shown by the evidence in any given case as to a person's actions and statements enables us to infer with a reasonable degree of certainty and accuracy what his intentions were in doing or not doing certain things, and the state of his knowledge.

It is not required that each of the conspirators participated in, or have knowledge of all of their conspiracy's operations. The guilt of a conspirator is not governed by the extent of his participation. He need not know all of the alleged conspirators.

mcjb 4

Even if a defendant participated in the conspiracy to a degree less than that of his fellow conspirators, or in a relatively subordinate and minor way, he is equally culpable as long as he became a member of the conspiracy with knowledge of its general scope and purposes. Nor is it necessary that a defendant receive pecuniary benefit from his participation in the conspiracy as long as he, in fact, was a member of the conspiracy.

It is not necessary that all conspirators have participated in the alleged conspiracy from its inception. A person who comes in at a later point with knowledge of the conspiracy's general operation, although not necessarily all of its details, and who intentionally acts in a way to further the unlawful goals, becomes a member of the conspiracy and is legally responsible for all that may be or has been done in furtherance of the criminal objective.

In considering whether a particular defendant was a member of the conspiracy, you may consider evidence of his own acts, statements or conduct as well as the evidence of the acts, statements and conduct of other alleged co-conspirators and the reasonable inferences to be drawn from such evidence, provided you find that such acts or statements of a co-conspirator were made during

mcjb 5

the course of the conspiracy and in aid of or in furtherance of its alleged purpose.

At this point I want to advise you that I have admitted into evidence without limitation those portions of the testimony which you heard me state during the trial were admitted with the limitation of "subject to connection," or only against a specific defendant.

All such evidence may be considered to the extent that you give it credence in weighing the guilt or innocence of a defendant on this conspiracy count.

This direction is subject to two exceptions. While the $8,000 check to the lawyer Markowitz has been admitted as an act in furtherance of the conspiracy and on the tax count, it may not be used by you as evidence that Grindlinger was paid in connection with having his customers buy Belair stock.

The other limitation is the testimony given by Poloner and Pace regarding what is known as the Redstone purchase of Belair stock from Mendlinger & Snyder. All of this testimony has been stricken except two portions and should be disregarded by you in determining the issues in this case. The only portion of that testimony that remain is the date of issuance of the Redstone report and whether Kobrin ever spoke to Pace about the Belair

stock.

If, after considering each defendant separately, you find that he was not a member of the conspiracy alleged in the indictment, then you should acquit that particular defendant on Count 1.

Thus, it is possible for you to find that none of the defendants or some of the defendants or all of the defendants on trial were members of the single conspiracy alleged in the indictment.

The next element that must be proved on this issue of conspiracy is the requirement of an overt act. You may not find a defendant guilty of conspiracy unless you are convinced beyond a reasonable doubt that one of the conspirators knowingly committed one of the overt acts charged in the indictment.

The Government need not prove the commission of all of the overt acts charged in the indictment.

By the term "overt act" is meant any act knowingly done by one of the conspirators in an effort to effect or accomplish some object or purpose of the conspiracy. The overt act may not be criminal in nature, if considered separately and apart from the conspiracy. It may be as innocent as an act of a man walking across the street or using a telephone.

mcjb 7

The overt acts referred to in the indictment are:

1. In or about January 1971, defendant Snyder was introduced by co-conspirator Scheer to defendant Schiffman in New York, New York.

2. In or about late January 1971, defendants Snyder and Schiffman took an airplane trip from New York to California and defendants Snyder and Schiffman discussed having Kelly, Andrews supply buying power and buyers for the Belair stock.

3. In or about February 1971, defendants Mendlinger, Snyder and Schiffman and co-conspirator Scheer met together in New York, New York, and discussed the compensation that defendant Schiffman and co-conspirator Scheer would receive for supplying buying power.

4. As part of the secret kickback arrangement, on or about March 25, 1971, defendant Mendlinger issued a check in the amount of $8,000 drawn on the account of Mendlinger, Snyder, Incorporated payable to Lewis Markowitz, Esq.

5. On or about March 25, 1971, the check in the amount of $8,000 payable to Lewis Markowitz, Esq., was delivered to defendant Grindlinger.

6. As part of the secret kickback arrangement,

on or about May 11, 1971, defendant Snyder issued a check in the amount of $25,000 drawn on the account of Mendlinger, Snyder, Incorporated payable to co-conspirator Martin Messinger.

7. As part of the secret kickback arrangement, on or about May 10, 1971 defendant Mendlinger issued the following checks drawn on the account of Mendlinger, Snyder:

(i) A check in the amount of $20,000 payable to the order of Yeshivat Beth Shearim;

(ii) A check in the amount of $20,000 payable to the order of Congregation Bais Avroham; and

(iii) A check in the amount of $20,000 payable to the order of Marbeatze Torah Institute.

8. As part of the secret kickback arrangement, on or about May 11, 1971, defendant Mendlinger issued the following checks drawn on the account of Mendlinger, Snyder, Incorporated:

(i) A check in the amount of $10,000 payable to Chevre Liady Nusach Hoary; and

(ii) A check in the amount of $10,000 payable to Congregation Beth Samuel.

9. As part of the secret kickback arrangement, on or about May 12, 1971 defendant Mendlinger issued a check in the amount of $10,000 payable to American Friends

mcjb 9

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10. As part of the secret kickback arrangement, on or about May 17, 1971 defendant Mendlinger issued a check in the amount of $10,000 payable to Yeshiva Lemetzuyanim.

11. By mailing confirmation slips for transactions in Belair stock to any one of the following named persons on the indicated dates:

Harvey Guerin, April 14, 1971; Harvey Guerin, April 15, 1971; Harvey Guerin, April 22, 1971; Frances [illegible]orca, April 29, 1971; Mendlinger, Snyder, Inc., April 30, 1971; Mendlinger, Snyder, Inc., April 30, 1971; Jack Pomerantz, April 30, 1971; Milton Colby, April 30, 1971; Harvey Guerin, April 30, 1971; Dorothea Johnson, June 11, 1971.

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The fact that a particular defendant is not named in an overt act is of no importance, because once you find that a conspiracy existed and that a defendant on trial was a member of a conspiracy, then he is bound by the acts done and statements made by any other member in furtherance of that conspiracy, even in the absence of such defendant.

For example, if you find a conspiracy as charged existed and that one of those named but not indicted was a member of the conspiracy, then any of their acts or statements made during its existence would be binding on the defendant here on trial, if you have found him to be a member of that conspiracy.

Once you have determined that the offense has been established under the guidelines I have just given you, then the crime of conspiracy is complete as to every person found by you to have been knowingly and wilfully a member of that conspiracy.

Furthermore, at this point the success or failure of the conspiracy to accomplish the common object or purpose is immaterial.

You have listened very attentively to the testimony during the course of the trial. Counsel for the defendants and the government have spent

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five hours yesterday in presenting their version of the testimony, and the inferences they ask you to draw from that testimony. I will only treat of those contentions in broad terms as they apply to the conspiracy count and the substantive count charging a violation of the securities law, which I will describe for you in a moment.

The thrust of the government's charge is that Mendlinger and Snyder sought to manipulate the price of Belair stock so that it would rise dramatically. This, according to the government, was to be achieved by bringing in Schiffman as an ally because of his ability to produce buying power for the stock. Schiffman agreed to engage in this nefarious activity on condition that all transactions of the stock by all the market makers would be under his control. This would control the free trading of the stock and cause its price to rise.

In return for this arrangement, Mendlinger and Snyder agreed to give Schiffman a share of the profits they would make. Schiffman and Scheer, aided by Hager, Peltz and Printz, have testified that in effect this agreement was carried out and that Grindlinger and Kobrin aided them in doing so.

Finally, Schiffman testified that he decided to blow off the operation at the end of April and he persuaded a man named Yamada to buy 40,000 shares of Belair stock for the account of a mutual fund. The transaction took place on April 30, 1971, with the settlement date, that is, the date for paying for the stock, of May 7th. Within a few days he sought a settlement of his accounts with Mendlinger and Snyder.

Then followed the transactions with the religious institutions, Messinger and Zaret, which takes us to the latter part of May.

At or about the time Snyder came into the market for Belair stock, it was quoted on March 1st as 3-1/2 bid, that is, what someone was willing to pay to buy a share of the stock, and 4-1/4 asked, that is, the price at which they would sell a share of stock.

On April 30th the 40,000 shares were sold by Mendlinger, Snyder for 14-3/4 dollars. The following trade date was May 3rd when the stock reached its high of $16 asked.

Mendlinger and Snyder deny any such illegal agreement. They admit that Snyder was asked to be a market maker along with others, and that compensation

dha4

was due them for their services. They deny that the market makers were controlled either by Schiffman or themselves.

In addition, they admit that they paid Schiffman for the sale of the 40,000 shares of stock on April 30th, which they contend was a separately negotiated agreement, and not uncommon in the securities industry. While they admit that this money was due, they have testified that Schiffman directed the method of payment.

Grindlinger and Kobrin deny any knowledge of any arrangements of any kind between Mendlinger, Snyder and Schiffman, and deny that any activity they may have been engaged in in connection with Belair stock was dictated to them by Schiffman or Scheer as part of an illegal scheme to run up the price of the stock.

Now we come to the next count of the indictment which you will consider, which is No. 12. This count charges all the defendants with actually violating Section 10(b) of the Securities Exchange Act of 1934 and the Securities and Exchange Commission Rule 10b-5.

This differs from the conspiracy count in

dha5

that here the defendants are charged with the actual violation of that law rather than merely agreeing to violate.

In order to find a defendant guilty of the charges contained in this count, you must be convinced beyond a reasonable doubt that each of the following three elements has been proved:

First, that the defendant in connection with the purchase or sale of Belair Financial Corporation stock either (1) employed a scheme to defraud or (2) made false statements with respect to material facts or (3) omitted to state certain material facts which should have been made in order to make their statements under the circumstances not misleading or (4) engaged in a course of conduct which operated as a fraud;

Second, that the defendant did so knowingly and wilfully;

Third, that the defendant used or caused to be used the mails or the telephone in furtherance of the scheme.

Insofar as the first element which must be proved beyond a reasonable doubt is concerned, the language describing this element is largely self-explanatory. It is not necessary for the government

dha6

to establish the existence of all four prohibited acts in connection with the transactions in Belair stock; it is sufficient if it establishes one of them.

A scheme is merely a plan for the accomplishment of an object.

Fraud is a term which embraces all the possible means which human ingenuity can devise and which are resorted to by one individual to gain an advantage over another, whether by misrepresentation, false suggestion or by suppression of the truth. Consequently, a scheme to defraud is merely a plan to obtain money or property or some advantage of value by trick or deceit.

You must determine beyond a reasonable doubt the course of conduct which you find to have existed in this case was a fraud on the investing public as I have just defined for you.

In determining whether a statement is false or whether there was an omission to state facts which would make stated facts not misleading, you must also find that they involved material facts. A material fact is one to which an average, reasonably prudent investor would attach importance in deciding whether or not to buy a share of stock.

dha7

For example, if you find beyond a reasonable doubt that the compensation agreement between Schiffman and Mendlinger, Snyder existed as claimed by the government, it is for you to determine whether it was material to inform investors of that arrangement.

In determining whether there was a crime committed under this count, it is not necessary for the government to prove directly that any of the purchases or sellers of the stock actually suffered damage. It is enough that such a scheme existed or that there were omissions to state a material fact.

Insofar as the second element is concerned, that a defendant must have acted knowingly and wilfully, what I have said before in connection with the conspiracy count about the words "knowingly" and "wilfully" applies equally as well to this count.

mcjb 1

The third element which must be proved beyond a reasonable doubt is that the defendant used or caused to be used the mails or the telephones in furtherance of the scheme.

It is not necessary for the Government to prove that a defendant actually received or placed in the mail any of the confirmations or actually used the telephone. It is sufficient for the Government to prove that a defendant caused the mailing to be made or the telephone to be used in the ordinary course of business, provided that you find that the mailing or telephoning was made in furtherance of the scheme.

Thus, if a defendant knows or could reasonably foresee that his actions would naturally and probably result in the use of the mails or the telephone, then he has caused the mails or telephone to be used.

For example, you may consider the mailing of confirmation slips to satisfy this requirement.

The guilt of a defendant on Count 12 may be established without proof that he himself actually did every act constituting the offense. This is so because anyone who knowingly aids, abets, counsels, induces or procures the commission of a crime against the United States is punishable as a principal.

mcjb 2

In order for a defendant to aid or abet another to commit a crime, it is necessary that he willfully associate himself in some way with the venture, knowing the essential elements of the offense as I have outlined it for you, that he willfully participate in it as something that he wishes to bring about, that he willfully seek by some action of his to make it succeed.

Similarly, whatever a person is legally capable of doing himself can be done through another as agent, and thus if the accused willfully causes an act to be done by another person which is an offense against the United States, the accused is punishable as a principal.

Mere presence and guilty knowledge on the part of a defendant that a crime is being committed is not sufficient unless you also are convinced beyond a reasonable doubt that the defendant was doing something to forward the crime; that he was a participant rather than merely a knowing spectator.

I will now turn to Count 13 of the indictment, which charges a violation of Section 7206(1) of Title 26 of the United States Code in that the defendant Mendlinger willfully and knowingly made and signed the corporate income tax return of Mendlinger, Snyder, Incorporated for the fiscal year ending August 31, 1971, which was

mcjb 3

verified by a written declaration that it was made under the penalties of perjury, and which he did not believe to be correct in every material matter.

The count charges that this tax return included deductions for advertising in the amount of $100,000, deductions for consulting services in the amount of $25,000, and deductions for legal expenses of $8,000, knowing full well that each of the deductions was false and fictitious.

I must stress to you that only Edwin Mendlinger and no other defendant is charged in this count.

In order to find Mendlinger guilty of the crime alleged in this count, you must be convinced beyond a reasonable doubt that each of the following four elements have been proven:

First, that Mendlinger signed and subscribed to the Federal corporate income tax return of Mendlinger, Snyder, Inc. for the fiscal year 1971.

Second, that the tax return contained a written declaration that it was made under the penalties of perjury.

Third, that the return was not correct as to every material matter, and

Fourth, that in signing the tax return the

defendant acted willfully and knowingly in that he knew at the time he signed the return that it was not correct as to every material matter.

As to the first two elements to be proved beyond a reasonable doubt, there is no dispute that Mendlinger signed the tax return in question; that it covered the 1971 fiscal year; or that it contained a written declaration that it was made under the penalties of perjury.

The third element which must be proved beyond a reasonable doubt is that the return was not correct as to every material matter. In order for a misstatement on a tax return to be material, it must have the potential effect of influencing the accuracy or correctness of its evaluation by the Internal Revenue Service.

However, the Government need not prove they relied on any false statement. Neither is it necessary for the Government to prove that such a false statement was made for the purpose of evading or defeating the payment of any taxes.

If the statements were false and were used to cover up payments made pursuant to any agreement to compensate Schiffman, such false statements would be material since they would prevent the Government from accurately tracing $133,000 of income to be taxed against Schiffman.

mcjb 5

You may also find Mendlinger guilty as to this element of the crime if you find him guilty under either Counts 1 or 12 and the moneys were paid out pursuant to the conspiracy or scheme alleged in those counts. Such payments are not taxable under the Internal Revenue Code, and would result in an overstatement of income which is material as a matter of law.

Finally, if you find beyond a reasonable doubt that the misstatements alleged by the Government are indeed false and material, you must still find that Mendlinger acted willfully and knowingly in subscribing to such false statements.

I have already defined these words to you, and those definitions apply equally as well. You must find that Mendlinger subscribed the return knowing that the claimed deductions as reflected in the tax return were not true and correct.

Therefore, it is not necessary that Mendlinger himself have prepared the return, or even that he gave false information to the accountant who prepared the return. It is only necessary that he signed the return knowing that it was false as to some material fact.

The basis of this charge is false statement, not income tax evasion.

mcjb 6

Now, I will discuss with you Counts 15 and 17 of the indictment. Each of these counts charges the defendant Kobrin, and Kobrin only, with the separate and distinct violation of Section 1623 of Title 18 of the United States Code. That section makes it a crime to commit perjury.

Under the facts of this case, perjury may be defined as knowingly and willfully giving false testimony as to a material matter while under oath before a United States grand jury.

I want you to understand that in the administration of justice we are all bound by an oath. The true administration of justice depends upon observance of the sanctity of that oath. The law recognizes no justification or excuse for perjury. A witness is required to testify truthfully before the grand jury.

Each of the counts charges that on September 5, 1975 Barrett Kobrin appeared under oath before a grand jury of the United States of America, and testified falsely as to the various material facts. The grand jury had been investigating various possible violations of the securities laws, among other things.

Count 15 alleges that Kobrin gave false testimony under oath regarding what happened at an evening meeting

mcjb 7 1186

in early June with Scheer, Hager and several other brokers. He stated before the grand jury that he never discussed with Scheer that the price of Belair stock would go up as a result of manipulating its price, or that Scheer alerted him to the possibility that the price of the stock might be moved up again by various trading activity.

Count 17 involves the statement by Kobrin before the grand jury to the effect that he had seen and distributed the so-called Redstone report prior to the time he purchased any Belair stock for his customers' accounts.

Now, in order to find Kobrin guilty of either of these counts, you must find the following four elements have been proved beyond a reasonable doubt:

First, that the defendant Kobrin took an oath on September 5, 1975, to testify truly before a grand jury of the Southern District of New York.

Second, that the defendant made false statements as charged and as just described for you by me.

Third, that such false statements were knowingly and willfully made contrary to his oath, in that at the time the defendant made the statements in the grand jury he knew and believed them to be false; and

Fourth, that the matters as to which it is charged the defendant made false statements were material to the

mcjb 8

issues under inquiry by the grand jury.

It is not disputed that Kobrin appeared before the grand jury of the Southern District of New York to be questioned, and that he took the oath to testify truly, and that he gave the testimony set forth in each of the two counts here in question.

(Continued on next page.)

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I also charge you that the matters as to which it is charged Kobrin made false statements were material to the issues under inquiry by the grand jury. Accordingly, you need not concern yourself with the first and the fourth elements of this count.

As to the second element, you must determine whether the alleged false statements were in fact false. The word "false" is used to mean untrue when made in the normal, ordinary usage of the word.

As to the third element, that the testimony was knowingly and wilfully made, I have already defined for you the meanings of wilfully and knowingly and those meanings apply equally as well here.

I should also point out that a statement "I don't recall" may be found by you to be a false statement knowingly made in just the same fashion as an assertion of "yes" or "no." In other words, if you find that Kobrin actually knew of a conversation and that he answered "I don't recall" to cover up that knowledge, then the answer is just as false and wilfully made as if he had answered "no."

There are, generally speaking, two types of evidence from which a jury may find the truth as to the facts of a case. One is direct evidence

of the testimony of an eyewitness. The other is indirect or circumstantial evidence, which is the proof of a chain of circumstances pointing to the existence or nonexistence of certain facts. Circumstantial evidence is the proof of facts from which you may reasonably infer a material element of a crime.

Let us take a simple example to illustrate what is meant by circumstantial evidence. We will assume that when you entered the courthouse this morning the sun was shining brightly outside, it was a clear day, there was no rain. Now assume that in this courtroom the blinds are drawn so that you cannot look outside. Assume as you are sitting in the jury box, and despite the fact that it was dry when you entered the building someone walks in with an umbrella dripping water followed in a short time by a person wearing a raincoat which is soaking wet. If you are asked whether it is raining out, you cannot say that you know it directly of your own observation, but certainly upon the combination of facts which I have just given you, even though when you entered the building it was not raining outside, it would be reasonable and logical for you to conclude that it is raining out.

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That is about all there is to circumstantial evidence. You may draw such inferences as reason and common sense lead you to draw from facts which you find to have been proved.

Great care must be exercised when drawing inferences from circumstances proved in criminal cases and mere suspicions will not warrant a conviction. However, no greater degree of certainty is required of circumstantial evidence than is required of direct evidence. It is not on any different or lower plane than direct evidence. The law simply requires that in either case you must be convinced beyond a reasonable doubt of the guilt of a defendant.

In determining the guilt or innocence of a defendant you must decide that question solely from the evidence you heard from the witness stand and the exhibits that have been placed before you. The summations of counsel which you have heard are not to be considered as evidence but only as arguments to you as to what counsel feel you should find from the evidence. Statements made by counsel in arguing the admissibility of proposed evidence, colloquies between the court and counsel with respect to admission or rejection of such evidence, are not evidence and

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are not to be considered by you in your deliberations.

In determining the issues in this case, it is your recollection of the testimony that is to control and not that of the court or counsel.

The court's function is not only to preside at the trial but to assure it is tried within the framework of the rules of evidence and to clarify matters that are at issue in the trial.

At various times during the trial, so-called side-bar conferences were held out of your hearing. They related to matters of law which do not concern you, and so these conferences or their purposes may not enter into your deliberations.

During the course of trial, on a number of occasions I admonished counsel, both for the government and for the defense. Sometimes lawyers, in the zeal of advocacy, make statements which in calmer moments they would not and should not have made. Such instance must play no part in your deliberations. Personalities of counsel are not at issue and neither is that of the court.

If during the course of the trial the court has sustained an objection by counsel to a question asked by the examining counsel, you are to

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disregard the question and any alleged facts contained in the question. And you may not speculate as to what the answer would have been. If a question was asked and an answer given by the witness and I have then stricken the answer from the record, you are to disregard both the question and the answer in your deliberations.

In your search for the truth, you must use plain, everyday common sense. You must not be governed by sympathy, bias or prejudice.

You have seen the witnesses on the stand and observed their manner of giving testimony, and when I refer to witnesses I, of course, include the defendants who have testified here. How did the witnesses impress you? Did they appear to be testifying frankly, candidly and fairly? In determining what degree of credibility you should give a witness' testimony, you may consider his conduct, his manner of testifying and his interest in the outcome of a trial.

mcjb 1

You should also consider his relationship to the Government or to a defendant, his bias or impartiality and any motive he may have to testify falsely. If does not necessarily follow, of course, that because a person is interested in the result he is incapable of telling a truthful version of an occurrence.

The defendants Mendlinger, Snyder and Kobrin have testified in this case. A defendant who wishes to testify is a competent witness; and his testimony is to be judged in the same way as that of any other witness.

You have heard the testimony of Stuart Schiffman, named as a defendant in this indictment, and the testimony of Nathan Hager, Stanley Peltz and Perry Scheer, who have been named as co-conspirators in this indictment. All of them have admitted from the witness stand that they were engaged in illegal conduct in connection with the sale of Belair stock. The testimony of alleged accomplices should be received with great caution and scrutinized with care. This doesn't mean that such testimony, if believed by you, is of any different or lesser quality than any other evidence. It should be considered by you after giving whatever weight you think it deserves along with all the evidence in the case in determining whether the guilt of a defendant has been proved beyond a reasonable doubt.

mcjb 2

If you believe that a witness willfully testified falsely to any material fact, you may disregard his testimony altogether or you may accept that part of his testimony which you believe worthy of credence.

What you accept or reject as credible evidence is for you to determine, but you may not go outside the evidence and speculate as to the facts.

The quality of the testimony of the particular witnesses, regardless of who calls them, rather than the quantity of witnesses, is the test to be used in arriving at your decision.

Evidence that a witness has been convicted of a crime may only be considered by you in assessing his credibility as a witness and the weight you will give to his testimony.

You should consider a witness' entire testimony, his direct examination, his cross examination and his redirect examination. You should consider the strength or weakness of his recollection in the light of all the testimony and attendant circumstances in the case.

Inconsistencies or discrepancies in the testimony of a witness or between the testimony of different witnesses may or may not cause you to discredit such testimony. Two or more persons witnessing an incident or a transaction

mcjb 3

may see or hear it differently. Innocent misrecollection, like failure of recollection, is not an unusual experience. In weighing the effect of a discrepancy, consider whether it pertains to a matter of importance or to an unimportant detail, and whether the discrepancy results from innocent error or willful falsehood.

There have been several instances where witnesses have been asked about their written or oral statements made prior to this trial and which it is claimed appear to be inconsistent with their testimony on trial. Many times witnesses were shown pieces of paper to be read in an effort to determine if the writing thereon refreshed their recollection as to what they may have said sometime in the past.

You are not to assume that what is on those papers or inferred by examining counsel to be on those papers, is a complete and accurate record, except in the case of sworn testimony, as to what was said in the past.

A prior inconsistent statement which was made under oath before a grand jury may be considered by you both as affirmative proof of facts contained in it as well as impeaching the credibility of the witnesses on the stand.

If a witness at this trial affirms the truth of

mcjb 4

a prior statement, whether made under oath or not, it may be considered as affirmative proof of the facts contained in it as well as impeaching the credibility of that witness.

If a witness has made a prior statement not under oath which he now admits on the stand that he made, but denies that it is true, you may consider the fact that the witness has made such an inconsistent prior statement has bearing only on his credibility as a witness.

If a witness has denied making a prior statement which was not made under oath, then you may not consider it for any purpose. You must disregard the prior statement completely.

You have heard testimony that exculpatory statements were made by Snyder when he appeared before a grand jury. An exculpatory statement is one in which a person seeks to exonerate himself of having committed a crime. If you find that these statements were made and were false, and that they were made with the intention of diverting suspicion or misleading the grand jury in its investigation, then you may consider these statements as indicating consciousness of guilt.

The defendants Mendlinger and Snyder have offered evidence of their reputation in the community prior to the

mcjb 5

indictment in this case, for being truthful, honest and men of integrity. You should consider this testimony along with all the other evidence in the case in determining whether you believe the witnesses.

Evidence of a defendant's reputation as to those traits of character ordinarily involved in the commission of a crime charged, may of itself give rise to a reasonable doubt, since you may think it improbable that a person of good character in respect to those traits would commit such a crime.

However, evidence of good reputation should not constitute an excuse to acquit the defendant, if, after weighing all the evidence, you are convinced beyond a reasonable doubt that the defendant is guilty of a crime charged in the indictment.

Some question has been raised about the failure of the Government to call Yamada, or brokers whom Schiffman may have enlisted in advancing the scheme, to testify on this trial. These witnesses are not under the control of either the Government or any of the defendants. Either the Government or the defendants Mendlinger or Snyder could have subpoenaed them to appear as witnesses.

Therefore, you are free to draw whatever inference you wish as to the failure of either party to call them as

mcjb 6

witnesses, or you need not draw any inference, if you do not wish to.

You may call for any exhibits which you desire to see in conjunction with your deliberations. You may call for a reading of any portion of the official transcript of the evidence or any portion of this charge.

You are instructed that the question of possible punishment of a defendant in the event of conviction is no concern of the jury and should not in any sense enter into or influence your deliberations.

The duty of imposing a sentence in the event of conviction rests exclusively upon the Court. The function of the jury is to weigh the evidence in the case and determine the guilt or innocence of a defendant solely upon the basis of such evidence.

I have sought to avoid any comments which might suggest that I have personal views on the evidence or that I have any opinion as to the guilt or innocence of any of the defendants, and you are not to assume that I have any such views or opinion.

This charge is given to you solely to instruct you as to the law applicable to this case.

The actions of the judge during a trial in granting or denying motions or ruling on objections by

mcjb 7

counsel, or in statements to counsel, or in attempting to clearly set forth the law in these instructions, are not to be taken by you as any indication of any determination of the issues of fact.

These matters, the actions of the Court, relate to procedure and law. You, the members of the jury, determine the facts.

(Continued on next page.)

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You are 12 members of this jury and all of you must agree upon a verdict you reach as to any defendant on any count in the indictment.

This case is obviously an important one to the defendants, it is equally important to the government. I am submitting it to you in complete confidence that you will comply with your oath as jurors and decide the case fairly and impartially and without fear or favor.

If there are any exceptions to the charge, I will take them in the robing room.

(In the robing room.)

MR. SHERR: I would like to state on the record I think it is one of the fairest charges I have ever heard and I would like to compliment your Honor even though your Honor left out one little thing that we agreed on, that they might consider, on the Redstone matter, two analysts' reports. It is not worth going back to.

I think it was a wonderful charge, it was fair to the government and to the defendants and I have no exceptions to the charge whatsoever.

MR. SCHATTEN: I would like to join Mr. Sherr. It is one of the few points in the trial

where Mr. Sherr and I agreed.

THE COURT: Mr. Hafetz?

MR. HAFETZ: I can't make it unanimous, although I think it was a good charge, as the court's charges always are.

The court mentioned that character witnesses had been put on by Mendlinger and Snyder. As the court will recall, Dr. Solomon was used as a character witness by Grindlinger. He was asked specifically his opinion as to honesty and integrity. Solomon was the author who talked about his --

MR. SHERR: He was put on by the government on cross examination.

MR. HAFETZ: He was the author and so on who talked about his credentials, and I asked him his opinion about Grindlinger.

THE COURT: I will tell the jury.

MR. HAFETZ: Okay.

Also, several other exceptions.

With respect to the court's recitation of the established Gearey rule in this circuit, that is, by proponderance of the evidence then all of the hearsay can be used against the defendant, I respectfully except to that. I submit it is unconstitutional,

Judge. I know the courts in this circuit have ruled on it.

THE COURT: You don't have to go any further, you have made your exception.

Next.

MR. HAFETZ: With respect to the court's summation of the contentions of the government and the defendant Grindlinger, in respect to the summarizing of the government's evidence, the court stated that Schiffman's testimony was that defendant Grindlinger had aided him in the plan. I take exception to that as an overstatement of what Schiffman had actually testified to.

THE COURT: I said the government contended, and this is what they rely on for their contention.

MR. HAFETZ: With respect to the court's summarization of the defendant Grindlinger's contention, the court stated that Grindlinger denied or opposed that Schiffman had dictated to him a course of action. I think the contention goes a little further, and that is that no matter what words might have been uttered by Schiffman, defendant had no knowledge by those words of fraudulent activity.

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THE COURT: I think I have sufficiently covered that in the charge.

MR. HAFETZ: My last exception, Judge, is to the court's inclusion of overt act No. 5 in its list of overt acts in the indictment, namely, the handing of the check of $8000 made out to Markowitz to defendant Grindlinger.

MR. KAPLAN: I have no objections, your Honor; the charge is fine.

MR. SHERR: If your Honor is going to make additional charges --

THE COURT: I am just going to say I inadvertently overlooked the witness Solomon.

MR. SHERR: May I ask that your Honor say they may consider the Redstone report was prepared --

THE COURT: I am not going to.

MR. SHERR: I withdraw the request.

I reiterate my statement and reiterate and reaffirm the statement I made about your Honor's charge and if this case goes against me, I have no appeal based upon your Honor's charge and I say so on the record.

MR. SCHATTEN: I wasn't listening. I

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may have missed one portion of the court's charge. I thought the government at one point did submit a request along the lines of United States v. Barry to the effect you have heard prior statements of the defendant --

THE COURT: I think you completely misconstrued it.

MR. SCHATTEN: I'm sure. I know the court is right. I withdraw my comments.

MR. SHERR: I would like to say on the record it was a pleasure to hear a charge without any inflections or innuendoes and I would like to put on the record there were no innuendoes or inflections to the jury and again reiterate that.

THE COURT: If you fellows keep going, I'm going to quit my job.

MR. SHERR: Thank you, your Honor. Wherever the chips fall, thank you.

(In open court; jury present.)

THE COURT: I should point out that I inadvertently omitted reference to the fact that Dr. Solomon testified on behalf of Grindlinger as to his reputation in the community for honesty and veracity and I should have added that in addition.

A JUROR: I missed that, I'm sorry.

THE COURT: I inadvertently omitted to refer to the fact that Dr. Solomon testified as to the defendant Grindlinger's reputation for honesty and veracity in the community in addition to the fact that Mr. Mendlinger and Mr. Snyder had offered such testimony.

We now reach the point where Alternate Jurors James Brown, Joseph Cartelli, Joseph Palumbo and John Edgar have to leave us. I'm glad you were with us all this time, but, as you know, you don't join in the deliberations. So if you have any belongings in the jury room, would you please go get them now.

You are excused from any further service and the clerk of the court has your certificates.

THE CLRRK: Will the marshals please step forward.

(One marshal duly sworn.)

THE COURT: You may now follow the marshal and start your deliberations.

I should tell the jury that we are going to order lunch for you. It's nasty outside. It will be brought in and the marshal will have some menus outside for you to order from.

A-371

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(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

1 A id

DAILY QUOTATIONS OBTAINED FROM NATIONAL DAILY QUOTATION BUREAU

BELAIR FINANCIAL CORP. (FORMERLY TRANSITION SYSTEMS, INC.)

DATE	MENDLINGER SNYDER, INC.		JAY W. KAUFMAN
December 1, 1970	5/8		
2,	5/8		
3,	5/8		
4,	5/8		
7,	5/8		
8,	5/8		
9,	5/8		
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21,	5/8		
22,	5/8		
23,	5/8	1	
24,	5/8	1	
28,	5/8	1	--
29,	5/8	1	--
30,	5/8	1	
31,	5/8	1	--
January 4, 1971	5/8	1	
5,	5/8	1	--
6,	5/8	1	--
7,	5/8	1	
8,	5/8	1	--
11,	5/8	1	
12,	5/8	1	--
13,	5/8	1	
14,	5/8	1	
15,	5/8	1	
18,	5/8	1	

DATE	MENDLINGER SNYDER, INC.		G. M. STANLEY & CO., INC.	J. D. WINER & CO., INC.		ICAHN & CO.		KELLY ANDREWS BRADLEY	
January 19, 1971	5/8	1							
20,	5/8	1							
21,	5/8	1							
22,	5/8	1							
25,	5/8	1							
26,	5/8	1							
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28,	5/8	1							
29,	5/8	1							
February 1, 1971	5/8	1							
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9,	5/8	1							
10,	1-1/2	2		--	--				
11,	1-3/4	2-1/2		1-3/4	2-1/2	1-3/4	2-1/2		
12,	1-3/4	2-1/2		1-3/4	2-1/2	1-3/4	2-1/2		
16,	1-3/4	2-1/2		1-3/4	2-1/2	1-3/4	2-1/2		
	----------NAME CHANGED TO BELAIR FINANCIAL CORP.----------								
17,	2-1/2	3-1/4		2-1/2	3-1/4	2-1/4	3		
18,	2-1/2	3-1/4		2-1/2	3-1/4	2-1/4	3		
19,	3	4		3	4	3	4		
22,	3	4		3	4	3-1/2	4-1/2		
23	3-1/4	4		3-1/4	4-1/4	3-1/4	4-1/4		
24,	3-1/4	4-1/4		3-1/4	4-1/4	3-1/2	4-1/4		
25,	3-1/2	4-1/4		3-1/4	4-1/4	3-1/2	4-1/4		
26,	3-1/2	4-1/4		3-1/4	4-1/4	3-1/2	4-1/4		
March 1, 1971	3-1/2	4-1/4		3-1/4	4-1/4	3-1/2	4-1/4	--	
2,	4-1/4	5-1/4		4-1/4	5	3-3/4	4-1/2	--	
3,	6	6-3/4		5-3/4	6-3/4	5-3/4	6-1/2	5-1/2	6-1/2
4,	6	6-1/2		5-3/4	6-3/4	6	6-3/4	6-1/4	6-3/4
5,	6	6-1/2		6	6-3/4	6	6-3/4	6-1/4	6-3/4
8,	6	6-1/2		6	6-3/4	6	6-3/4	6-1/4	6-3/4

DATE	MENDLINGER SNYDER, INC.		J. D. WINER & CO., INC.		ICAHN & CO.		KELLY ANDREWS BRADLEY		CHARTERED NEW ENGLAND		FIRST N.Y. EQUITIES CO.	
March 9, 1971	6	6-3/4	6	6-3/4	6	6-1/2	6-1/4	6-3/4				
10,	6	6-3/4	5-3/8	6-1/2	6	6-1/2	6	6-1/2				
11,	5-1/4	6	5	6	5		5-1/2	6-1/2				
12,	5-1/2	6-1/2	5-1/2	6-1/2	5-3/4	6-1/2	6-1/4	7				
15,	6	6-3/4	5-1/2	6-1/2	5-3/4	6-1/2	6-1/4	7				
16,	6-1/4	7	6	6-3/4	6	6-3/4	6-1/4	7				
17,	6-1/4	7	6	7	6	7	6-3/4	7-1/2				
18,	6-1/2	7	6	7	6	7	--	--				
19,	7-1/2	8	7-1/2	8-1/2	7	8	7-1/2	8-1/2	8-1/2	8-1/2		
22,	8-1/2	9-1/2	9	10	8-1/2	9-1/2	8-3/4	9-3/4	9-1/4	10		
23,	10-1/4	11	10-1/4	11-1/4	10	11	10-1/4	11-1/4	-	-		
24,	10-1/4	11	10-1/4	11-1/4	10-1/4	11-1/4	10-1/4	11-1/4	10-1/4	11-1/4		
25,	10-1/4	11-1/4	10	11	10	11	10-1/4	11-1/4	10	11	--	--
26,	10-1/2	11-1/2	10-3/4	11-3/4	10-3/4	11-3/4	10-3/4	11-3/4	10-3/4	11-3/4	10-1/2	11-1/2
29,	10-1/2	11-1/2	10-3/4	11	10-3/4	11-3/4	10-3/4	11-1/2	10-3/4	11-1/2	10-3/4	11-1/2
30,	10-3/4	11-3/4	10-3/4	11-3/4	10-3/4	11-3/4	10-3/4	11-1/2	10-3/4	11-1/2		
31,	10-3/4	11-1/2	10-3/4	11-3/4	10-3/4	11-3/4	10-3/4	11-1/2	10-3/4	11-1/2	10-3/4	11-1/2
April 1, 1971	10-1/2	11-1/2	10-3/8	11-1/2	10-1/2	11-1/2	10-1/2	11-1/2	10-1/2	11-1/2	10-1/2	11-1/2
2,	10-3/4	11-1/4	10-1/2	11-1/2	10-1/2	11-1/2	10-1/2	11-1/2	10-3/4	11-1/2		
5,	10-1/2	11-1/4	10-3/4	11-1/2	10-1/2	11-1/4	10-1/2	11-1/4	10-3/4	11-1/2	11 -	11-3/8
6,	10-1/2	11-1/4	10-1/2	11-1/4	10-1/2	11-1/4	11	11-1/2	10-1/2	11-1/8		
7,	10-1/4	10-3/4	10	10-3/4	10-1/4	11	10-1/2	11	10	10-3/4	--	--
8,	10-1/4	10-3/4	10	10-3/4	10	11	10-1/2	11	10-1/4	11	10-1/4	11
12,	10-1/4	10-3/4	10	10-3/4	10	11	10-1/2	11	10-1/4	11	--	--
13,	10-1/4	10-3/4	10	10-3/4	10	11	10-1/4	10-3/4	10-1/4	11	10-1/2	11
14,	9-3/4	10-1/2	9-1/2	10-1/2	9-1/2	10-1/2	9-1/4	10	9-3/4	10-3/4		
15,	11-1/4	12	11-1/2	12-1/4	11-1/2	12-1/4	--	--	11-1/4	12		
16,	12-3/4	13-1/2	12-3/4	13-1/2	12-3/4	13-1/2	12-1/2	13	13	13-1/2		
19,	12-1/2	13-1/4	12-1/2	13-1/2	12-1/2	13-1/2	12-3/4	13-1/2	12-3/4	13-1/2	12-1/2	13-1/4
20,	12	12-3/4	11-3/4	12-1/2	12	13	12-1/4	13	12-1/4	13	12	13
21	12	12-3/4	11-3/4	12-1/2	11-1/2	12-1/2	12-1/4	13	12	12-3/4	11-1/2	12-1/2
22,	12-1/2	13-1/2	12-1/2	13-1/2	12-1/2	13-1/2	12-1/2	13-1/2	12-1/2	13-1/4	12-1/2	13-1/2
23,	12-3/4	13/1/2	12-1/2	13-1/2	12-1/2	13-1/2	12-1/2	13-1/2	12-1/4	13	12-3/4	13-1/4
26,	12-1/2	13-1/2	12-1/2	13-1/2	12-1/2	13-1/2	12-1/2	13-1/4	12-1/4	13	12-1/2	13-1/2
27,	12-1/2	13-1/2	12-1/2	13-1/2	12-1/4	13-1/4	12-1/4	13-1/4	12-1/2	13-1/4	12-1/2	13-1/4
28,	12-1/4	13	12-1/2	13-1/2	12-1/4	13-1/4	12-1/4	13-1/4	12-1/4	13	--	--

A-375

DATE	MENDLINGER SNYDER, INC.		J.D. WINER & CO., INC.		LOAHN & CO.		KELLY ANDREWS BRADLEY		CHARTERED NEW ENGLAND		FIRST N.Y. EQUITIES CO.		ADVEST CO.	KENNETH BOVE & CO., INC.	E.L. AARON & CO. INC.	KIPPEN CANADA CORP.
April 29, 1971	12	13	11-3/4	12-3/4	11-3/4	12-3/4	12	13	12	12-3/4	11-3/4	12-3/4	OW			
30,	13	14	11-3/4	12-3/4	13	14	13-1/4	14-1/4	--	-----	13-1/2	14-1/2	OW			
May 3, 1971	15	16	14-3/4	15-3/4	14-3/4	15-3/4	15	15-3/4	15	15-3/4	15	16				
4,	14	14-3/4	14	15	14	15	14	14-3/4	14-1/4	15	14	15				
5,	14	15	13-3/4	14-3/4	14	15	13-3/4	14-1/2	14	14-3/4	14	14-1/2				
6,	13-3/4	14-1/2	13-1/2	14-1/2	13-3/4	14-3/4	13-1/2	14-1/2	13-1/2	14-1/2	13-3/4	14-1/2				
7,			13-1/4	14-1/4	13-1/4	14-1/4	13-1/2	14-1/2	13-1/2	14-1/2	--	--				
10,	14-1/4	15	14	15	14	15			14	15	14	14-3/4		14-1/2	--	--
11.	14-1/4	15	14	15	14	15	13-3/4	14-3/4	13-3/4	14/3/4	14	-- 15		14-1/2	--	
12,	14	15	14	15	14	15	14	15	13-3/4	14-3/4	14	14-3/4		14-1/2		
13,	13-3/4	14-3/4	13-1/2	14-1/2	13-3/4	14-3/4	13-3/4	14-3/4	13-3/4	14-3/4	14	15		14-1/2		
14,	13-3/4	14-1/2	13-1/2	14-1/2	13-1/2	14-1/2	13-1/2	14-1/2	13-1/2	14-1/2	13-3/4	14-3/4		14-1/2		
17,	13-1/2	14-1/2	13-1/2	14-1/2	13-1/2	14-1/2	13-1/4	14-1/4	13	14	13	14				
18,	12-1/2	13-1/2	12-1/4	13-1/4	12-1/2	13-1/4	12-3/4	13-3/4	12-1/2	13-1/2	12-1/2	13-1/4				
19,	12-1/4	13	12-1/4	13-1/4	12-1/2	13-1/4	12-1/2	13-1/2	12-1/2	13-1/2	12-1/4	13				
20,	12-1/2	13-1/4	12-1/4	13-1/4	12-1/4	13-1/4	12-1/2	13-1/2	12-1/2	13-1/2	12-1/2	13-1/2				
21,	12-1/2	13-1/4	12-1/4	13-1/4	12-1/2	13-1/4	12-1/2	13-1/2	12-1/4	13-1/4	12-1/2	13-1/2				
24,	12-1/2	13-1/4	12-1/4	13-1/4	12-1/4	13-1/4	12-1/2	13-1/2	12-1/2	13-1/2	12-3/4	13-3/4				
25,	13-1/2	14-1/2	13-1/2	14-1/2	13-1/2	14-1/2	13-1/2	14-1/2	13-3/4	14-3/4	13-1/4	14-1/2				
26,	13-1/2	14-1/2	13-1/2	14-1/2	13-1/2	14-1/2	13-1/2	14-1/2	13-3/4	14-1/2	13-1/2	14-1/4				
27,	-	-	12	13	12	13	-	-			13	14				
28,	-	-	9-1/2	10-1/2			-	-	-	-	10-1/2	11-1/2				
June 1, 1971	11	12	9-1/2	10-1/2			-	-	-	-	11-1/2	12				
2,	-	-	10	11			-	-	-	-						
3,	-	-	9	10			-	-	-	-	-	-				
4,	-	-	9	10			-	-	9-1/2	10-1/2	-	-				
7,	-	-	8-3/4	9-3/4			-	-	9	10	-	-				
8,	-	-	8-3/4	9-3/4			-	-	-	-	-	-				
9,	-	-	-	-			-	-	-	-	-	-				

DATE	MENDLINGER SNYDER, INC.		J. D. WINER CO., INC.		CHARTERED NEW ENGLAND		FRIEDMAN MNGR CO.		HERZOG & CO.		FIRST NY EQUITIES CO.		KELLY ANDREWS BRADLEY
June 10, 1971	-	-	-	-	-	-					--	--	--
11,	-	-	6	8	-	-					--	--	--
14,	-	-	6-1/2	8-1/2	-	-							--
15,	-	-	6	8	-	-							--
16,	-	-	6	8	-	-					--	--	--
17,	-	-	6	8	-	-					--	--	--
18,	-	-	-	-	-	-							--
21,	-	-	-	-	-	-							--
22,	-	-	-	-									--
23,	-	-	-	-									--
24,	-	-	-	-									--
25,	-	-	3-1/2	4-1/2									--
28,	-	-	4-1/2	5-1/2			4-1/4	5-1/4					--
29,	-	-	4-1/2	5-1/2			4	5	4-1/2	5-1/2	--	--	--
30,	4-1/2	5-1/2	4-1/2	5-1/2			4-1/2	5-1/2	-	-			

USA 33s - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

6A ~~id~~

FPI-MI—4-8 74-30M-2001

MENDLINGER, SNYDER, INC.
50 BROADWAY
NEW YORK, N. Y. 10004

717

May 10, 19 71 1-670/260

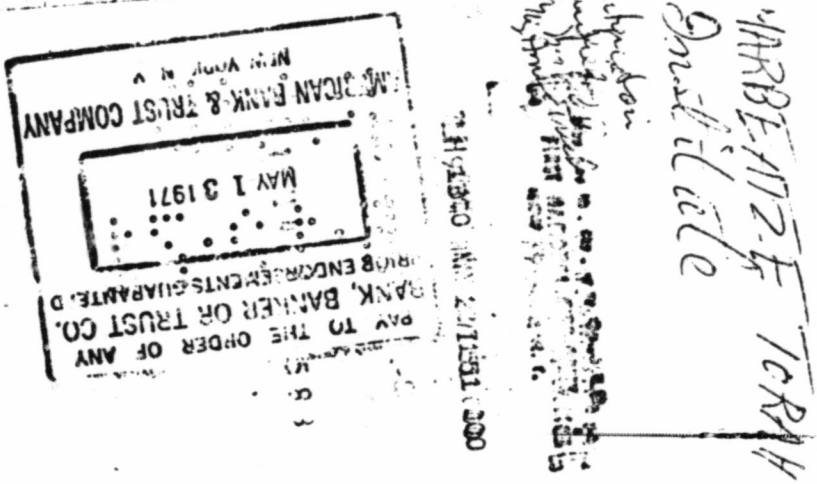
PAY TWENTY THOUSAND and 00/100 - - -

USA 33s - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

6A id

FPI-MI—4-8-74-30M-2001



USA 33e - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

6B id

FPI-81—4-8-74-30M-2001

MENDLINGER, SNYDER, INC.
50 BROADWAY
NEW YORK, N. Y. 10004

718

May 10, 19 71 — 1-670/260

PAY TWENTY THOUSAND and 00/100 - - -

USA 33s - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

6E id

FPI-NI—4-8-74-30M-2001

A-380

USA 33s - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

6B id

FPI-NI—4-8-74-30M-2001

PAY TO THE ORDER OF
FIRST NATIONAL CITY BANK
BOROUGH PARK BRANCH
YESHIVA BETH SHEARIM-MISHNE
HALACHOTH GEDOLOTH INST.
07548343

1593

1-8 NEW YORK, N.Y. 1-8

FIRST NATIONAL CITY BANK

NEW YORK, N.Y.

MAY 13

094

MAY 13

094

CHEVRE LIAZY MISHNAH HOARY
FOR DEPOSIT

USA 33s - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

6C

FPI-MI—4-8-74-30M-2001

MENDLINGER, SNYDER, INC.
50 BROADWAY
NEW YORK, N. Y. 10004

719

1-670
260

May 10, 19 71

PAY TO THE ORDER OF TWENTY THOUSAND AND 00/100 - - -

USA 33s - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

6C

FPI-MI—4-8-74-30M-2001

PAY TO THE ORDER OF ANY
BANK, BANKER OR TRUST CO.
PHOTOGRAPHIC ENDORSEMENTS GUARANTEED

MAY 13 1971

AMERICAN BANK & TRUST COMPANY
NEW YORK, N. Y.

USA 33s - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
6D

FPI-NI—4-8-74-30M-2001

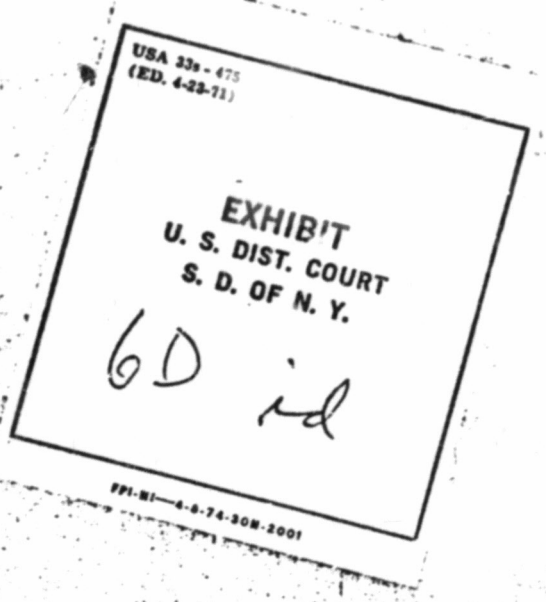
MENDLINGER, SNYDER, INC.
50 BROADWAY
NEW YORK, N. Y. 10004

722

1670
260

May 11, 19 71

PAY TO THE ORDER OF TEN THOUSAND and 00/100 - - -



1071 70 4052
2
MAY
1-30
PAY ANY BANK
NEW YORK
1-30
MAY
1-30
PAY
NEW YORK
CONGREGATION
BETH SA

A-385

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

MENDLINGER, SNYDER, INC.
50 BROADWAY
NEW YORK, N. Y. 10004

728

1-670
260

May 12 1971

PAY TO THE ORDER OF Lin Diamond &

DOLLARS $ 10,000.00

American Friends

CERTIFIED
PAYABLE ONLY AS ORIGINALLY DRAWN
AND WHEN PROPERLY ENDORSED
$ ★10000000 CTS

AMERICAN BANK & TRUST CO.
MAIN OFFICE - NEW YORK, N.Y.

MAY 12 1971

AUTHORIZED SIGNATURE
DO NOT DESTROY

Lin Mendlinger

American Bank & Trust Company
70 WALL STREET
NEW YORK, N. Y. 10005

⑆0260⑆0870⑆ 66⑆0017 ⑈ ⑈000010000000⑈

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

(CSA 336 - 475
(ED. 4-23-71)

FPI-RI—4-9-74-30M-2001

113 PAY TO THE ORDER OF National Bank of North America
NACHAL NORTH MINOR CHOCHMA
0041-0125-3

PAY ANY BANK, P.E.G.
MAIL BANK OF NORTH AMERICA
NEW YORK, N.Y.

1271 18 MAY

664

113

USA 33s - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

6G

FPI-MI—4-8-74-30M-2001

MENDLINGER, SNYDER, INC.
50 BROADWAY
NEW YORK, N. Y. 10004

745

1670
260

May 17, 1971

PAY TO THE ORDER OF TEN THOUSAND and 00/100 - - -

USA 33s - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

6G

FPI-MI—4-8-74-30M-2001

Yeshiva Kimberly Guyana

06786572

[illegible]

1-2

[illegible] MAY 19 1151 000

[illegible] 1199

USA 33s - 475
(ED. 4-25-TIY

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

77 [illegible]

FPI-MI—4 8-74-30M-2001

ישיבה מרביצי תורה
MARBEATZE TORAH INSTITUTE

1604 AVENUE R
Brooklyn, N Y 11229
DEwey 6-7655

Mendlinger, Snyder, Inc.
50 Broadway
New York, N. Y.

	TUITION			
	ARREARS			
	REGISTR ON			
	DUES			
	DONATION			
	Journal Advertisment	$20,	000	00
	TOTAL	$20,	000.00	

11/17
5/10/77

35 - 475
(-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

76

FPI-MI—4-6-74-30M-2001

ישיבה ומתיבתא „בית שערים"
„משנה הלכות גדולות"
בשיאות הגאון מרן ר' מנשה קליין שליט"א
אבדק"ק אונגוואר

YESHIVAT BETH SHEARIM
MISHNE HALACHOTH GEDOLOTH
Under the Direction of RABBI MENASHE KLEIN
5306 – 16TH AVENUE • 375 SOUTH 5TH STREET
BROOKLYN, N Y

MAY 10, 1971

MENDLINGER SNYDER INC.
50 Broadway
New York N. Y.

Advertising - for 1971 advertising in Beth Shearim Journal.

$20,000.00

#718
5/10/71

A-391

USA 33a - 475
ED. 6-29-71

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

7C

FPI-HI—4-8-74-30M-2001

בית הכנסת בית אברהם

CONGREGATION BAIS AVROHAM

1638 EAST 15th STREET
BROOKLYN 29, N. Y.

376-9575

דר

RABBI IRVING M. FEIGENBLUM
Rabbi

ZALMON RAVITZ, Treasurer
JACOB WARTZKY, Secretary

May 3, 1971

Mendlinger, Snyder, Inc.
50 Broadway
New York N. Y.

Advertising Bill - for 1971 advertising in Cong. Bais Avrohan Journal.

$20,000.00

דור ה
5/1-71

A-392

USA 83a - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

70 ok

FPI-81—4-8-74-30M-2001

קאנגרעגיישאן בית שמואל

CONGREGATION BETH SAMUEL

AVENUE • BROOKLYN 30, N. Y. • DEwey 9-7614

רב אברהם קליין
RABBI ABRAHAM KLEIN

May 7, 1971

Mendlinger Sh[illegible], Inc.
50 Broadway
New York N. Y.

ADVERTISING BILL

For 1971 advertising in THE CONG. JOURNAL.

$10,000.00

722
5/11/71

USA 33s - 475
(ED. 4-[illegible])

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

7E

FPI-81—4-8-74-30M-2001

Tel.: HY 4-6788

חברה ליאדי נוסח האר"י
CHEVRE LIADY NUSACH HOARY

315 Hooper Street, cor. So. 5th St., Brooklyn 11, N. Y.

BEN ZION KLEIN	RABBI SAMUEL BLUM	RABBI M. KNOPFLER
President	Vice President	Financial Secretary

438-9376

Dear Brothers and Sisters:—
You are cordially invited to attend a Regular Meeting on

ווערטהע ברידער און שוועסטער:
איהר ווערט העפליכסט איינגלאדען צו אין רעגעלען מיטינג, אם

SUNDAY EVENING
at P[illegible], at

זונטאג אבענד.
אום איהר שארפ, אין

5306 16th AVENUE
BROOKLYN, N. Y. 11204

Purpose: Mendlinger Snyder, Inc.
50 Broadway
New York N. Y.

צוועק:

אין איהר וועדם געבעטען איינצוהלען אייערע שולדען אין צייט, וועם איהר מאהן דערמים ס פאר נוטצען ערשפארנם. פאר דער חברה, זו מיר ישלח השבען צו קוויטירען אונזער מענליכע עקספענסעס. אין צווייפעלתם: פאר אייך שליין איהר זשלם זיין נוטשפהענו אין נים פארלירען אייערע רעכטע שלם כעמבערם.

5306—16TH AVENUE
BROOKLYN, N. Y.

דיום און סעמעטערי נעלדער שיקסען

YOU OWE:	Dol.	Cts.	זי שולדען אן
Past Due Balance			ריקשטענדע
Monthly Dues			מאנאטליכע בייטרעגע
Donations			נדרים ונדבות
Cemetery Plot			קרקע
Old Age			אלד אירוש
Shool Tickets			שוהל מיקעטס
Registered Letters			רעגיסטרירטע לעטערס
Advertising	10,	000. 00	
Total			סוממע

#1123
5/11/71
10,000.

מים ברודערליכען גרוס.

Received by Secretary

קריאלטען אם סעקרעטער

AMERICAN FRIENDS OF N.N.M.C.
Nachal Novea Mekor Chochma
Association for revival of the religious
Settlement in upper Galilee on the name of
Rabenu Nachman Or Haoroth of Breslev

RABBI NOAH HEFETZ
17 Or Hachaim St., P.O.B. 478
Bnei Brak, Israel

U.S.A. Office: P.O.B. 127, BROOKLYN, N. Y.
Tel.: 774-6556

RABBI YAAKOV KLEIN, Exec. Director

בס"ד

העלין
אברהם

USA 33a - 475
(L.D. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
7F

FPI-81—4-8-74-30M-2061

May 12, 1971

Mendlinger, Snyder Inc.
50 Broadway
New York, N. Y. 10004

Advertising - for 1971 advertising in our journal.

$ 10.000.00

#728
5/12/71

GSA 33a_-475
(SD. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

7G

FFI-MI—4-8-74-30M-2001

YESHIVA LEMETZUYANIM
1728 E. 19th St.
Brooklyn N. Y. 11229

May 17, 1971

Mendlinger Snyder, Inc.
50 Broadway
New York N. Y.

ADVERTISING BILL

for advertising in our yeshiva journal $10,000.00

11 745
5/17/71

USA 33s - 478
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

FPI-81—6-8-74-30M-2001

MENDLINGER, SNYDER, INC.
50 BROADWAY
NEW YORK, N. Y. 10004

725

May 11, 19 71 — 1670/260

PAY TWENTY FIVE THOUSAND and 00/100 - - -

USA 33a - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

8 id

FPI-MI—4-8-74-30M-2001

043 038 395 0 800AX

MARTIN S MESSINGER

07 71

MAY

For Deposit Only
To Account No. 01 011 342
American Express Company
Local Financial Fc. 11
202-0036-6

OK this is OK.

5/11/71

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

8A id

A-398

MENDLINGER, SNYDER, INC.

50 BROADWAY, NEW YORK, N. Y. 10004 • (212) 944-3630

May 11, 1971

Mr. Martin S. Messinger
140-50 Burden Crest
Jamaica, New York

Dear Mr. Messinger:

This letter will constitute our understanding relating to your activities as a finder with respect to mergers, acquisitions, private placements and/or underwritings that are submitted to Mendlinger, Snyder, Inc. by you.

Your compensation for the above activities is to be $25,000.00 per year. Said fee for this one-year contract is to be payable in advance. This contract automatically terminates itself at the end of one full year's activities and is only renewable at the agreement of both parties hereto.

At no time will Mendlinger, Snyder, Inc. be obligated to you in any different manner or amount unless changed by mutual consent in writing.

If the foregoing is in accordance with your understanding, kindly so signify by countersigning the copy of this letter where indicated below, whereupon this letter shall constitute a legally binding agreement between us.

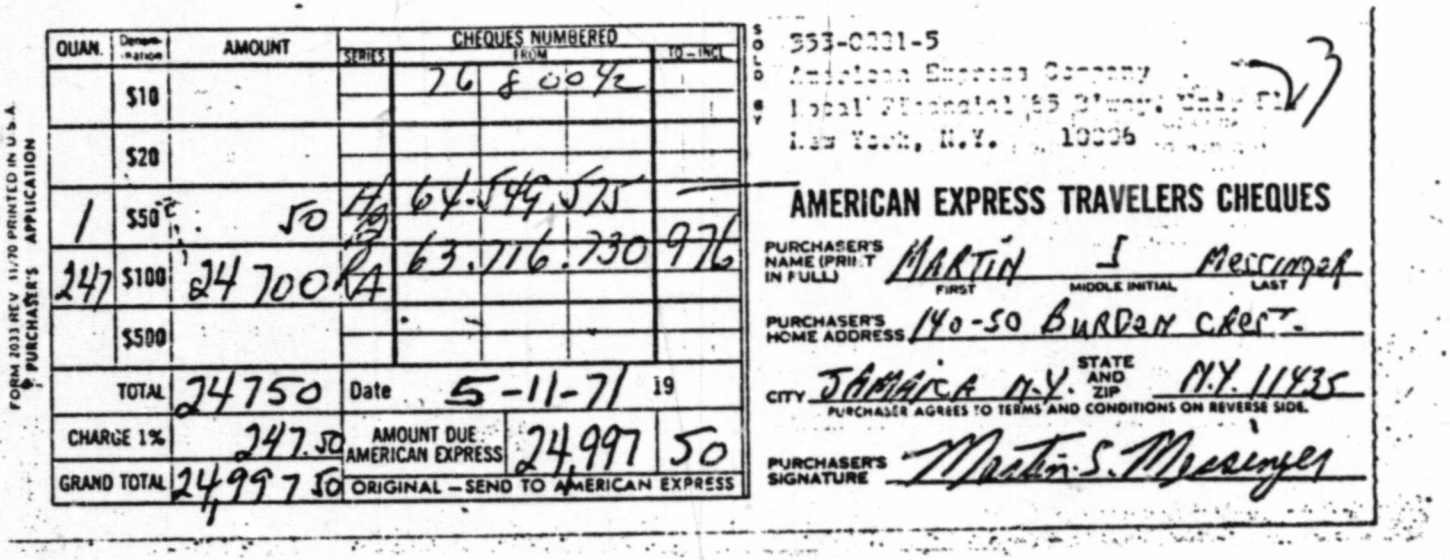
Very truly yours,

MENDLINGER, SNYDER, INC.

By Stanley Snyder
Stanley Snyder
Vice President

ACCEPTED AND AGREED TO
AS OF THE DATE AND YEAR
FIRST ABOVE WRITTEN:

BY Martin S. Messinger
Martin S. Messinger



QUAN.	Denomination	AMOUNT	CHEQUES NUMBERED SERIES	FROM	TO—INCL
	$10			76 800 42	
	$20				
1	$50	50	HA	64 544 525	
247	$100	24700	HA	63 716 730	976
	$500				
TOTAL		24750	Date 5-11-71 19		
CHARGE 1%		247 50	AMOUNT DUE AMERICAN EXPRESS	24997	50
GRAND TOTAL		24997 50	ORIGINAL — SEND TO AMERICAN EXPRESS		

FORM 2033 REV 11/70 PRINTED IN U.S.A.
PURCHASER'S APPLICATION

SOLD BY
353-0331-5
American Express Company
Local Financial [illegible] Plaza, Suite [illegible]
New York, N.Y. 10006

AMERICAN EXPRESS TRAVELERS CHEQUES

PURCHASER'S NAME (PRINT IN FULL) MARTIN (FIRST) S (MIDDLE INITIAL) Messinger (LAST)

PURCHASER'S HOME ADDRESS 140-50 BURDEN CRES.

CITY JAMAICA N.Y. STATE AND ZIP N.Y. 11435

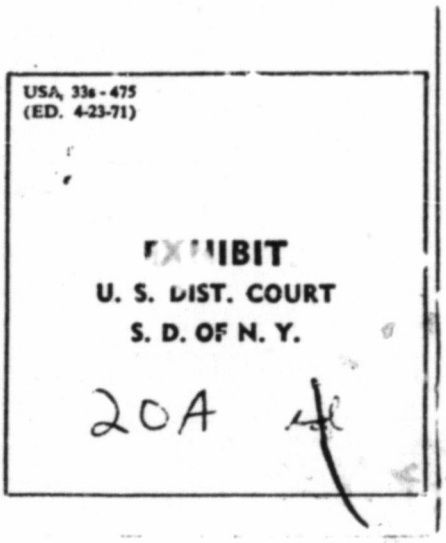
PURCHASER AGREES TO TERMS AND CONDITIONS ON REVERSE SIDE.

PURCHASER'S SIGNATURE Martin S. Messinger

USA 33a - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

FP-MI—4-8-74-30M-2001


USA, 33s - 475
(ED. 4-23-71)
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
20A

A-401

MENDLINGER, SNYDER, INC.
50 BROADWAY, NEW YORK, N. Y. 10004 • (212) 944-3630

October 30, 1970

Belair Financial Corporation
9465 Wilshire Boulevard
Suite 610
Beverly Hills, California 90212

INVOICE

Round trip air fare (Stanley Snyder) New York/Los Angeles/New York	-$386.00
National Car Rental (10/21/70 - 10/28/70)	113.73
Beverly Hillcrest Hotel (10/18/70 - 10/28/70)	550.93
10/22/70 - Sneaky Pete's, Los Angeles (Stanley Snyder & Walter Paul)	26.05
10/24/70 - Plush Horse Restaurant (Stanley Snyder, Paul Joseph, Roy Nelson)	21.88
Miscellaneous out-of-pocket expenses paid in cash, including parking, lunches, etc. - total in excess of $200 - Belair Financial Corporation is being billed for $100 of these expenses	-100.00
TOTAL	$1,198.59

A-402

No. 002470

TRAVEL-ALL SERVICE

2 WEST 45th STREET • NEW YORK, N. Y. • 212 TN 7-3255

MEMBER ASTA

MENDLINGER SNYDER

50 BROADWAY

NEW YORK, N.Y. 10004

OCT. 12th 19 70

REF. NO. SF

		TOTAL
OCT. 18	MR. S. SNYDER NY LOS ANGELES NY TWA: 295/587/036 (flight 1F) lv. 5:45pm. arr. L.A. 8:30 p.m.	$ 386.00

#294
10/21/70

TOTAL $386.00

CREDIT ON ACCOUNT

BALANCE DUE

A-402

LESSOR:

PAGE 2

NATIONAL CAR RENTALS

CONSOLIDATED LEASING CORP., LIC.

MAIN OFFICE: P.O. BOX 2283, LOS ANGELES, CA. 90022
FROM LOS ANGELES CALL: 685-9862 TELEMAX FBP
LOCAL CITY OF COMMERCE CALL: 722-3003

CAR WILL BE RETURNED BY	VEHICLE NO.
LICENSE	MAKE

INV. NO. 03 6544

This car rented from 1360 So. Figueroa St., Los Angeles, Telephone 685-9882

CREDIT CARD	CASH	BILL TO

DESTINATION

DATE AND TIME IN A.M. P.M.

OWNER CITY

DATE AND TIME OUT A.M. P.M.

CREDIT CARD IMP.

7001 SIP INTL
MENDELSOHN SNYDER
E SNYDER
ST ENGLEWOOD

COMPANY NAME:

Print

	HRS.	HRS. @	
DEPOSIT $			
ALTERNATE R.A. #	DAYS	DAYS @	30 00
MILEAGE IN	WKS. 1	WKS. @	70 00
MILEAGE OUT			
MILES DRIVEN		MILES @	30 10

MILEAGE DETERMINED BY READING FACTORY INSTALLED ODOMETER

PREPARED BY

RENTAL REMARKS

SUB-TOTAL	1 2 [illegible]
	[illegible]
TOTAL RENTAL OR MIN. CHG.	[illegible]
TAX	5 11
COLLISION DAMAGE WAIVER	1.1 [illegible]
TOTAL CHARGES	117 73
LESS GAS-REPAIRS	([illegible])
NET DUE	113 73
LESS DEPOSIT	
BALANCE DUE	113 73

DRIVER'S NAME

ADDRESS:

CITY AND STATE

DRIVER'S LIC. NO.	STATE	BIRTH DATE

HEIGHT	WEIGHT	EYES	HAIR

LOCAL ADDRESS OR REFERENCE:

*$15.00 MINIMUM CHARGE FOR TIME & MILEAGE

I HAVE READ THE TERMS AND CONDITIONS ON PAGE 1 (OTHER SIDE) AND PAGE 2 OF THIS RENTAL AGREEMENT AND AGREE THERETO:

X

ADD'L DRIVER

IN CONSIDERATION OF THE RENTAL RATE AGREED UPON HEREIN, LESSOR AGREES TO RELIEVE CUSTOMER OF LIABILITY FOR DAMAGES CAUSED BY COLLISION AS PROVIDED IN PARAGRAPH 3 ON BACK OF PAGE 1 OF THIS RENTAL AGREEMENT BUT CUSTOMER SHALL BE FULLY LIABLE FOR ALL DAMAGES OF ANY NATURE IF THE VEHICLE DESCRIBED HEREIN SHALL BE OPERATED IN VIOLATION OF ANY OF THE PROVISIONS OF THIS RENTAL AGREEMENT. THIS SECTION APPLIES ONLY IF INITIALED BY CUSTOMER.

Initial Here →

FOR NATL. USE ONLY

CASH REFUND	GAS-OIL REPAIRS	$
	DEPOSIT	$

TOTAL STAMPS ISSUED ☐ ISSUED ☐ MAILED ☐ DECLINED

PAID BY (V) | CASH | CHECK | CHARGE

NATIONAL CAR RENTAL

CLC Custom Leasing Coast to Coast

CUSTOMER IS LIABLE FOR ALL PARKING & TRAFFIC VIOLATIONS
SHOW LEASE AGREEMENT NO. ON ALL CORRESPONDENCE.

READ TERMS AND CONDITIONS ON PAGE 1 (OTHER SIDE)

FORM NO. 1005

PAGE 2

CUSTOMER MEMO COPY
THIS IS NOT AN INVOICE
CHARGES SUBJECT TO FINAL AUDIT

610 SNYDER M/M S 2/ 34.00

35676-C

No. 51722 A-404

EXECUTIVE CLUB MEMBER

BEVERLY HILLCREST HOTEL

P. O. BOX 3065 • BEVERLY HILLS, CALIF. 90212 • PHONE 278-0200

DATE	REFERENCE		CHARGES	CREDITS	BALANCE	PICK-UP
						D* 506.12
OCT 25 70	L'DIST	610	B* 3.69		* 509.81	C* 509.81
OCT 26 70	ROOM	610	C* 34.00			
OCT 26 70	TAX	610	C* 1.70		* 545.51 *	A* 545.51
OCT 27 70	RESTR	610	A* 3.22		* 548.73	A* 548.73
OCT 27 70	L'DIST	610	A* 5.34		* 554.07	
						A* 554.07
OCT 27 70	L'DIST	610	A* 2.31		* 556.38	A* 556.38
OCT 27 70	L'DIST	610	A* .32		* 556.70	B* 556.70
OCT 27 70	RESTR	610	B* 12.55		* 569.25	C* 569.25
OCT 27 70	ROOM	610	C* 34.00			
OCT 27 70	TAX	610	C* 1.70		* 604.95 *	A* 604.95
OCT 28 70	PHONE	610	A* 4.86			
OCT 28 70	ADJ	610		A* 63.00	* 546.81	A* 546.81
OCT 28 70	RESTR	610	A* 4.12		* 550.93	

Please pay last amount in this column

No. 51722

BEVERLY HILLCREST HOTEL

6I0 34.00

ROOM _____ RATE _____

PLEASE DETACH AND RETURN THIS PORTION WITH CHECK

REGARDLESS OF CHARGE INSTRUCTIONS, THE UNDERSIGNED GUEST ACKNOWLEDGES THE ABOVE AS A PERSONAL INDEBTEDNESS.

CHARGE TO _____

ADDRESS _____

SIGNATURE _____

610 SNIDER; M/M S. 2/34.00 35676-B.

No. 51689 A/ 405

BEVERLY HILLCREST HOTEL

EXECUTIVE CLUB MEMBER

P. O. BOX 3065 • BEVERLY HILLS, CALIF. 90212 • PHONE 278-0200

DATE	REFERENCE		CHARGES		CREDITS	BALANCE	PICK-UP
						* 302.30S	
OCT23 70	TR.CH.	610	A*	.00			
OCT23 70	L'DIST	610	A*	5.12		* 312.04	B* 312.04
OCT23 70	L'DIST	610	A*	4.62		* 316.55	B* 316.55
OCT23 70	L'DIST	610	B*	4.51			
OCT23 70	L'NDRY	610	B*	5.90		* 324.20	C* 324.20
OCT23 70	VALET	610	B*	1.75			
OCT23 70	ROOM	610	C*	34.00		* 359.90 *	A* 359.90
OCT23 70	TAX	610	C*	1.70		* 360.60	A* 360.60
OCT24 70	L'DIST	610	A*	.70			
OCT24 70	L'DIST	610	A*	2.31		* 362.91	C* 362.91
OCT24 70	ROOM	610	C*	34.00			
OCT24 70	TAX	610	C*	1.70		* 398.61 *	A* 398.61
OCT25 70	RESTR	610	A*	4.31		* 402.92	B* 402.92
OCT25 70	L'DIST	610	B*	2.04		* 404.96	B* 404.96
OCT25 70	RESTR	610	B*	15.60		* 420.56	C* 420.56
OCT25 70	RESTR	610	C*	32.35		* 452.91	C* 452.91
OCT25 70	ROOM	610	C*	34.00			
OCT25 70	TAX	610	C*	1.70		* 488.61 *	A* 488.61
OCT25 70	RESTR	610	A*	4.35		* 492.96	A* 492.96
OCT25 70	L'DIST	610	A*	2.86		* 495.82	B* 495.82
OCT25 70	L'NDRY	610	B*	10.30		* 506.12	

Please pay last amount in this column

No. 51689

BEVERLY HILLCREST HOTEL

ROOM 610 RATE 34.00

PLEASE DETACH AND RETURN THIS PORTION WITH CHECK

REGARDLESS OF CHARGE INSTRUCTIONS, THE UNDERSIGNED GUEST ACKNOWLEDGES THE ABOVE AS A PERSONAL INDEBTEDNESS.

CHARGE TO _____

ADDRESS _____

SIGNATURE _____

610 SNYDER, STANLEY M/M 2-34.00 35676-A A-406

No. ~~51666~~

BEVERLY HILLCREST HOTEL

P. O. BOX 3065 • BEVERLY HILLS, CALIF. 90212 • PHONE 278-0200

EXECUTIVE CLASS

DATE	REFERENCE		CHARGES	CREDITS	BALANCE	PICK-UP
					* 122.73S	
OCT 20 70	MISC '	610	C* .00		* 122.73	C* 122.73
OCT 20 70	ROOM	610	C* 34.00			
OCT 20 70	TAX	610	C* 1.70		* 158.43 *	A* 158.43
OCT 21 70	RESTR	610	A* 4.30		* 162.73	A* 162.73
OCT 21 70	L'DIST	610	A* 6.82		* 169.55	A* 169.55
OCT 21 70	L'DIST	610	A* .43	.OVE.	* 169.98	B* (159.98)
OCT 21 70	L'DIST	610	B* 3.41		* ~~163.39~~	B* ~~163.39~~
OCT 21 70	SKYRM	610	B* 10.00		* ~~173.39~~	B* ~~173.39~~
OCT 21 70	RESTR.	610	B* 22.50		* ~~195.89~~	C* ~~195.89~~
OCT 21 70	ROOM	610	C* 34.00			
OCT 21 70	TAX	610	C* 1.70		* ~~231.59 *~~	C* 241.59
OCT 21 70	MISC '	610	C* .00		* 241.59	A* 241.59
OCT 22 70	RESTR	610	A* 6.75		* 248.34	A* 248.34
OCT 22 70	L'DIST	610	B* 5.83		* 254.17	C* 254.17
OCT 22 70	L'DIST	610	B* .76		* 254.93	C* 254.93
OCT 22 70	ROOM	610	C* 34.00			
OCT 22 70	TAX	610	C* 1.70		* 290.63 *	A* 290.63
OCT 23 70	RESTR	610	A* 4.35		* 294.98	A* 294.98
OCT 23 70	L'DIST	610	A* 7.32		* 302.30	A* 302.30
OCT 23 70	TR.CR.	610		A* .00	* 302.30S	

Please pay last amount in this column

No. 51666

BEVERLY HILLCREST HOTEL

ROOM 610 RATE 34.00

PLEASE DETACH AND RETURN THIS PORTION WITH CHECK

REGARDLESS OF CHARGE INSTRUCTIONS, THE UNDERSIGNED GUEST ACKNOWLEDGES THE ABOVE AS A PERSONAL INDEBTEDNESS.

CHARGE TO _____

ADDRESS _____

SIGNATURE _____

[illegible]

Mondlinger Snyder

EXECUTIVE CLUB MEMBER

No. 35676

BEVERLY HILLCREST HOTEL

P. O. BOX 3065 • BEVERLY HILLS, CALIF. 90212 • PHONE 278-0200

DATE	REFERENCE		CHARGES	CREDITS	BALANCE	PICK-UP
OCT 18 70	RESTR	610	C* 9.15		* 9.15	C* 9.15
OCT 18 70	ROOM	610	C* 34.00			
OCT 18 70	TAX	610	C* 1.87		* 45.02 *	A* 45.02
OCT 19 70	RESTR	610	A* 11.70		* 56.72	A* 56.72
OCT 19 70	RESTR	610	A* 2.02		* 58.74	B* 58.74
OCT 19 70	L'DIST	610	B* .32		* 59.06	C* 59.06
OCT 19 70	RESTR	610	B* 4.96		* 64.02	B* 64.02
OCT 19 70	L'DIST	610	B* .54		* 64.56	B* 64.56
OCT 19 70	RESTR		B* 7.25		* 71.81	C* 71.81
OCT 19 70	ROOM	610	C* 34.00			
OCT 19 70	TAX	610	C* 1.87		* 107.68 *	A* 107.68
OCT 20 70	L'DIST	610	A* 7.32		* 115.00	A* 115.00
OCT 20 70	RESTR	610	A* 4.10		* 119.10	A* 119.10
OCT 20 70	L'DIST	610	A* 1.87		* 120.97	A* 120.97
OCT 20 70	L'DIST	610	A* .32		* 121.29	A* 121.29
OCT 20 70	L'DIST	610	A* .37			
OCT 20 70	L'DIST	610	A* .37		* 122.03	C* 122.[illegible]
OCT 20 70	L'DIST	610	C* .70		* 122.73S	

Please pay last amount in this column

No. 35676

BEVERLY HILLCREST HOTEL

ROOM 610 RATE 34.00

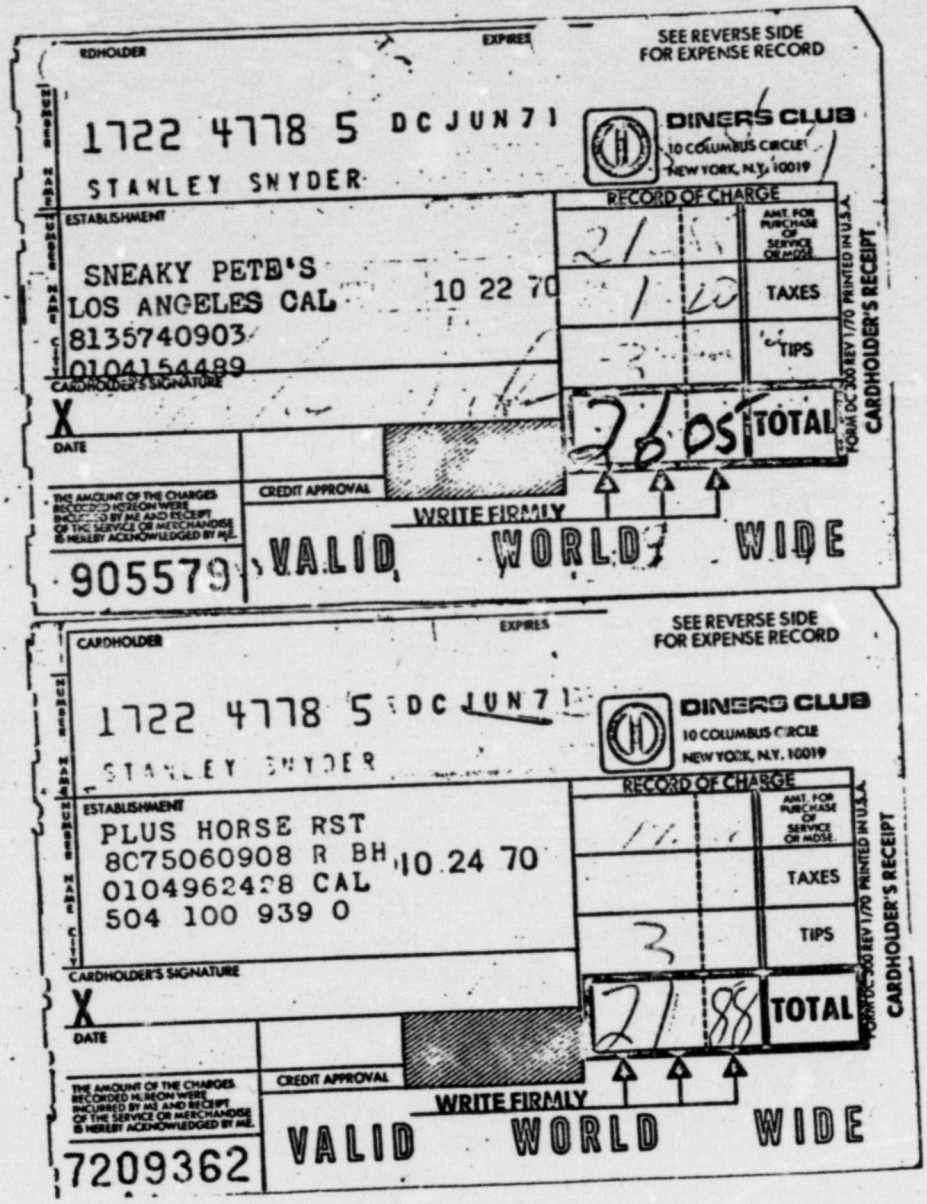
PLEASE DETACH AND RETURN THIS PORTION WITH C[illegible]

REGARDLESS OF CHARGE INSTRUCTIONS, THE UNDERSIGN[illegible] ACKNOWLEDGES THE ABOVE AS A PERSONAL INDEBTEDN[illegible]

CHARGE TO _____

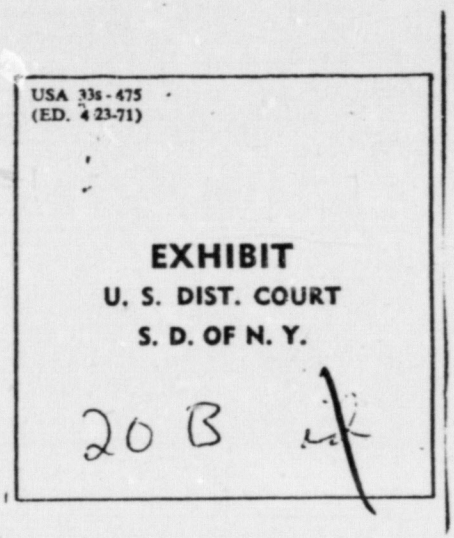
ADDRESS _____

SIGNATURE _____



CARDHOLDER
EXPIRES
SEE REVERSE SIDE FOR EXPENSE RECORD
1722 4778 5 DC JUN 71
STANLEY SNYDER
DINERS CLUB
10 COLUMBUS CIRCLE
NEW YORK, N.Y. 10019
ESTABLISHMENT
SNEAKY PETE'S
LOS ANGELES CAL 10 22 70
8135740903
0104154489
RECORD OF CHARGE
AMT. FOR PURCHASE OF SERVICE OR MDSE.
21
TAXES
1 10
TIPS
3
TOTAL
26 05
CARDHOLDER'S SIGNATURE
X
DATE
CREDIT APPROVAL
THE AMOUNT OF THE CHARGES RECORDED HEREON WERE INCURRED BY ME AND RECEIPT OF THE SERVICE OR MERCHANDISE IS HEREBY ACKNOWLEDGED BY ME.
905579
WRITE FIRMLY
VALID WORLD WIDE
FORM DC 300 REV 1/70 PRINTED IN U.S.A.
CARDHOLDER'S RECEIPT

CARDHOLDER
EXPIRES
SEE REVERSE SIDE FOR EXPENSE RECORD
1722 4778 5 DC JUN 71
STANLEY SNYDER
DINERS CLUB
10 COLUMBUS CIRCLE
NEW YORK, N.Y. 10019
ESTABLISHMENT
PLUS HORSE RST
8C75060908 R BH 10 24 70
0104962428 CAL
504 100 939 0
RECORD OF CHARGE
AMT. FOR PURCHASE OF SERVICE OR MDSE.
17
TAXES
TIPS
3
TOTAL
27 88
CARDHOLDER'S SIGNATURE
X
DATE
CREDIT APPROVAL
THE AMOUNT OF THE CHARGES RECORDED HEREON WERE INCURRED BY ME AND RECEIPT OF THE SERVICE OR MERCHANDISE IS HEREBY ACKNOWLEDGED BY ME.
7209362
WRITE FIRMLY
VALID WORLD WIDE
FORM DC 300 REV 1/70 PRINTED IN U.S.A.
CARDHOLDER'S RECEIPT


USA 33s-475
(ED. 4-23-71)
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
20 B

MENDLINGER, SNYDER, INC.
50 BROADWAY, NEW YORK, N. Y. 10004 • (212) 944-3630

October 30, 1970

Mr. Gary A. Aminoff
President
Belair Financial Corporation
9465 Wilshire Boulevard
Suite 610
Beverly Hills, California 90212

Dear Gary:

Enclosed please find invoice for most of my expenses during my most recent trip to California.

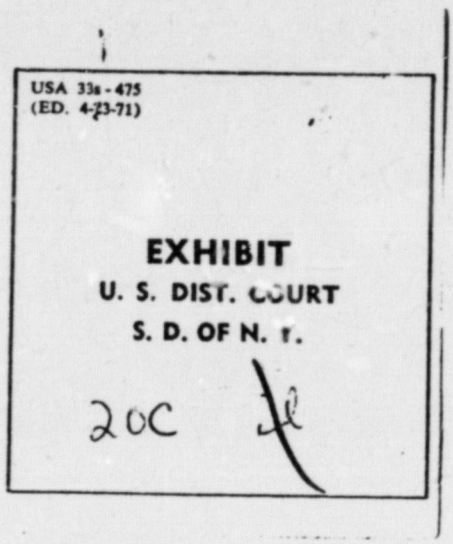
In view of future possible rewards, it is bad enough to have to work for no pay, but I could not get the Beverly Hillcrest Hotel, National Car Rental, etc. to accept unregistered stock from Belair Financial Corporation; consequently, the enclosed. Your prompt attention to this will be greatly appreciated.

Sincerely,

MENDLINGER, SNYDER, INC.

Stanley Snyder
Vice President

SS:ck
enclosure


USA 33s - 475
(ED. 4-23-71)
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
20C

November 4, 1970

Mr. Stanley Snyder
Mendlinger, Snyder, Inc.
50 Broadway
New York, N. Y. 10004

Dear Stanley:

Needless to say, I was most surprised by the bill that I received from you for expenses on your recent California trip.

In our discussions prior to your trip, you never suggested that Belair Financial Corporation should reimburse you for expenses incurred. Had we discussed it, I would have told you that Belair would not have incurred your expenses for traveling to California. Particularly, in view of the fact that I was shortly to make a trip to New York and we could have taken care of our business there.

As I understand it, the principal purpose of your trip, in any event, was to negotiate the purchase of the stock from Nelson and Joseph, which does not directly benefit Belair.

I don't like to be hard-nosed about these things, Stanley, but I am running Belair as a very tight ship. There is no way that I would have approved spending $1,200 to have you travel to California had I been aware that you were going to bill the company.

I don't know how I can justify this to the Board of Directors or to our physician shareholders, nor to myself, as I am incurring many expenditures on behalf of Belair Financial Corporation which I am personally paying in order not to charge the company in its early birth stages.

We all have substantial interests in Belair Financial Corporation's ultimate success.

Belair is not adequately funded sufficiently to incur excessive expenses at this time. If, in the future you are coming to California and you want Belair to pick up your expenses, let's discuss it in advance so there are no unpleasant surprises. Charging the corporation for these kinds of expenses at this time, inhibits the growth of the company and delays the time when you can realize substantial profits from your warrants.

Things are progressing well in other areas of expansion of the company, and I will bring you up-to-date shortly.

Warm regards,

BELAIR FINANCIAL CORPORATION

Gary A. Aminoff,
President

cc: Arthur H. Maslansky
Julian Weiner

USA 33s - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

20D

A-415

MENDLINGER, SNYDER, INC.

50 BROADWAY, NEW YORK, N. Y. 10004 • (212) 944-3630

November 6, 1970

Mr. Gary A. Aminoff
President
Belair Financial Corporation
9465 Wilshire Boulevard
Suite 610
Beverly Hills, California 90212

Dear Gary:

Re your letter of November 4, 1970.

I have received your above referred to letter and must admit that I was extremely surprised by its content. If all the meetings and discussions we have had regarding the necessity for the success of the company as a trial vehicle to negotiate the purchase of Nelson's and Joseph's stock, as well as working out all the aspects thereof, are not clearly understood as to the direct benefits to Belair Financial more than to Mendlinger, Snyder, I indeed feel sorry for the future of Belair Financial as a public company.

Unless I am greatly mistaken, I was under the impression that there were a great many difficulties that we had, as does every company in its early embryonic stages. I don't recall one meeting or contract or future plan being discussed during the ten days that I was in California that I didn't have a direct hand in. I can think of at least half a dozen ideas and thoughts that were injected into various documents we were working on that each in themselves would be worth far more than $1,200 to everybody else that I am involved with.

I can well appreciate the financial condition of Belair Financial Corporation, but I would appreciate your not trying to build the company on my pocket. Thank goodness I can afford to say, if it will make you and the rest of the principals happy, tear up the enclosed invoice. In the future, if my services are required, I will be pleased to tell you exactly what I am worth on a per diem basis, plus expenses.

Mr. Gary A. Aminoff
President
Belair Financial Corporation -2- November 6, 1970

In closing, I must say that I am quite surprised to see how little was thought of all the hard work that was put in during my recent ten days in California.

With best regards to your lovely wife, I remain

Sincerely,

MENDLINGER, SNYDER, INC.

Stanley Snyder

Stanley Snyder
Vice President

SS:ck

P.S. There are no magic formulas or so-called dumb luck that separates a very successfully priced stock from a very depressed stock that can never get out of its own way. It is a well planned program and a lot of hard work. The program that has been planned would entail a lot of work and trips to California with various brokerage firms, fund managers, etc. and a lot of entertaining thereof. The ultimate success and the price of a stock far exceeds one hundred times the cost involved. I don't know of any public company in the United States that would not be thrilled to have somebody break his back to try to perform this task without getting paid a very substantial sum for his efforts. Please do not bring up my warrants, as you have stock, as does Arthur and everyone else in the deal, and I really don't believe everyone else is going to be working not only without any remuneration, but assuming all their own expenses as well. In doing the job that I have indicated above, I really am not used to working with a time clock hanging around my neck, but if I am told that a board of directors meeting must be called to decide whether I should take a various brokerage firm to visit a company and romance him for a few days in advance, I would like it clearly understood. I have never worked this way and really find the thought distasteful. The game has always been great fun to me. When I lose the fun instinct, the rewards of the game become of very little consequence, believe it or not.

USA 33s-475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
25

MENDLINGER, SNYDER, INC.
50 BROADWAY, NEW YORK, N. Y. 10004 • (212) 944-3630

March 5, 1971

Mr. Gary A. [illegible]noff
President
Belair Financial Corporation
9465 Wilshire Boulevard
Suite 610
Beverly Hills, California 90212

Dear Gary:

In answer to your letter of March 2, 1971, please be aware of the following facts:

In September of 1970 there was a very inactive trading market in the stock now known as Belair Financial Corp. To my recollection, we were the only ones making a market at that time, and even that market was strictly a bid only with no offer. The price of the stock was approximately 5/8 of $1.

Taking into account these facts, as well as there being no final contracts executed with the first group of doctors, in addition to no supporting balance sheet of the company, I could not in good conscience put any price that I would recommend my clients buying unregistered stock for at that time. Any value would have to be a highly nominal value strictly for those desiring to become involved with the company.

As of March 4, 1971, the stock is shown at about $6 - $6½ in the National Quotation Bureau Over-the-Counter Pink Sheets. Taking into consideration the lack of net worth, as well as the highly speculative nature of the company and the recent rapid appreciation of the stock, I personally would not recommend the purchase of unregistered shares in this company at anything more than 10% to 15% of the market value, considering even this is a high degree of speculation. This, of course, is purely a personal observation and many other investment bankers would have either more optimistic or pessimistic views of the situation.

Mr. Gary A. Aminoff
President
Belair Financial Corporation -2- March 5, 1971

Please advise if I can be of any further service. I remain

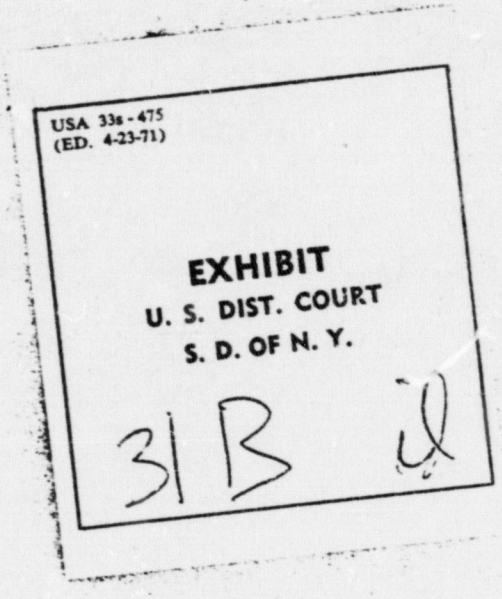
Very truly yours,

MENDLINGER, SNYDER, INC.

Stanley Snyder

Stanley Snyder
Vice President

SS:ck


USA 33s - 475
(ED. 4-23-71)
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
31 B

EMPLOYMENT and OPTION AGREEMENT

Employment and Option Agreement, made and executed January 11, 1971, by and between Belair Financial Corporation, a Delaware Corporation ("Belair"), having its principal place of business at 9465 Wilshire Boulevard, Beverly Hills, California, and Mendlinger, Snyder Inc. a New York Corporation, having its principal place of business at 50 Broadway, New York, New York ("Mendlinger").

1. Belair hereby employs Mendlinger and Mendlinger hereby agrees to such employment upon the terms and conditions hereinafter set forth.

2. This employment agreement shall be effective as of April 1, 1971 and shall continue in effect until September 1, 1972.

3. Mendlinger is hereby employed as an advisor and financial consultant to Belair on all matters pertaining to the business of Belair and to render such additional services as are pertinent thereto. The officers and employees of Mendlinger shall devote their best efforts and such time as shall be reasonably necessary to the performance of the services to be performed by Mendlinger and to advance the interests of Belair; Belair expressly acknowledges that neither Mendlinger nor its officers or its employees shall be required to devote all of their time to Belair and that Mendlinger may render similar services to other entities. The services to be rendered by Mendlinger shall be rendered in New York, New York but officers of Mendlinger may be required, at reasonable times and upon reasonable notice, to travel to Los Angeles, California, or other locations upon behalf of Belair.

4. For all services rendered by Mendlinger in the performance of its duties hereunder, Belair shall issue and deliver to Mendlinger options evidencing the right to purchase at $1.20 per share, subject to adjustment as hereinafter provided, an aggregate of 77,000 shares of the common

stock of Belair, par value one cent per share. The acquisition and any disposition of the Options and the underlying shares of common stock shall, in all respects, be subject to the provisions of the Registration and Investment Agreement executed concurrently herewith by Mendlinger and Belair, a copy of which is attached hereto as Exhibit A. Mendlinger shall be reimbursed for all reasonable travel expenses incurred in connection with the rendition of its services.

5. The number and kind of securities purchasable upon the exercise of this Option and the Option price shall be subject to adjustment from time to time upon the happening of certain events, as follows:

a. If Belair at any time while this Option remains outstanding and unexpired shall consolidate with or merge into any other corporation, this Option shall hereafter evidence the right to purchase such number and kind of securities as would have been issuable or distributable on account of such consolidation or merger upon or with respect to the securities which were purchasable under this Option immediately prior to such consolidation or merger.

b. If Belair at any time while this Option remains outstanding and unexpired shall, by subdivision, combination or reclassification of securities or otherwise, change any of the securities then purchasable upon the exercise of this Option into the same or a different number of securities of any class or classes, this Option shall thereafter evidence the right to purchase such number and kind of securities as would have been issuable as the result of such change with the respect to the securities which were purchasable under this Option immediately prior to such subdivision, combination, reclassification or other change. If shares of Common Stock are subdivided or combined

into a greater or smaller number of shares of Common Stock, the Option price for the then current Option period and for each Option period thereafter shall be proportionately reduced in case of subdivision of shares or proportionately increased in the case of combination of shares.

No adjustment on account of dividends or interest on Common Stock or other securities purchasable hereunder will be made upon the exercise hereof.

The holder hereof by accepting this Option assents to and agrees to be bound by the foregoing provisions and the following additional terms and conditions:

The holder of this Option shall not have any of the rights of a stockholder of Belair nor be entitled to any notice of any meetings of stockholders or of any other proceedings of Belair.

All rights under and by virtue of this Option shall pass and be transferred by the delivery hereof. The delivery of this Option shall vest title thereto in the transferee to the same extent for all intents and purposes as in the case of the delivery under similar circumstances of a negotiable instrument payable to bearer, and Belair shall be entitled to treat the bearer hereof as the absolute owner hereof for all purposes and shall not be affected by any notice to the contrary.

This Option shall become void and all rights hereunder shall expire unless it shall be surrendered and the rights thereunder exercised prior to the close of business on January 11, 1976.

6. This agreement contains the entire agreement between the parties hereto and may not be modified or amended without the written agreement signed by both of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date first above written.

BELAIR FINANCIAL CORPORATION

By _____
Gary A. Aminoff, President

MENDLINGER, SNYDER, INC.

By _____
Stanley Snyder, Vice President

USA 33s - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

41

MENDLINGER, SNYDER, INC.

50 BROADWAY, NEW YORK, N. Y. 10004 • (212) 944-3630

A-425

December 24, 1970

Mr. Gary A. Aminoff
President
Belair Financial Corporation
9465 Wilshire Boulevard
Suite 610
Beverly Hills, California 90212

Dear Gary:

As per our conversation, enclosed please find copy of an Option Agreement between Mendlinger, Snyder, Inc. and another company that we are investment banker for. Please use the enclosed as a guideline. It is the same transaction I have with Nelson and Joseph, the only difference as follows:

I am buying stock from Nelson and Joseph at 75¢ per share "when free". For the final document, check the records as to the exact amount of stock that Joseph and Nelson have as the contract will be for 100% of the stock they both control. In addition to an option, give them a put. In other words, I want them to know that we have a definite deal on both sides. I am not trying to trick anyone as Clark may have thought. This is a bona fide business transaction which is as important to us as it is to them.

The time period to buy the stock can be 30 days from the date the stock is freed up. After this document is drawn and signed by Nelson and Joseph, they will deliver an opinion letter from an attorney, qualifying that their stock should be freed up. Have this letter shown to Clark and then have him write his own opinion letter on behalf of Belair Financial Corporation. Make sure the letter covers only Nelson's and Joseph's stock and no other past insiders.

Have both letters delivered to the transfer agent, with instructions from you as President of the company to transfer the old Transition stock into new free shares of Belair.

Mr. Gary A. Aminoff
President
Belair Financial Corporation -2- December 24, 1970

Kindly follow through and see that all this is attended to upon issuance of the California Commission's permit.

If there are any questions, either call Ed Mendlinger at my New York office, or call me at the number I gave you, which is (305) 651-9887.

With warm personal regards to you and yours for the New Year, I remain

Very truly yours,

MENDLINGER, SNYDER, INC.

Stanley Snyder
Vice President

SS:ck

USA 33s - 475
(ED. 4-23-71)

A-427

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

42

MENDLINGER, SNYDER, INC.

50 BROADWAY, NEW YORK, N. Y. 10004 • (212) 944-3630

Clark van der Velde, Esq.
van der Velde, Maslansky and Harris
1900 Avenue of the Stars
Suite 2510
Los Angeles, California 90067

Dear Clark:

According to the last transfer sheets, Mr. Jack Ross is a stockholder to a great degree in Transition Systems. He and some of his relatives I believe own somewhere around 15,000 shares.

I spoke to Mr. Ross yesterday in a very general conversation and learned he acquired a portion of his stock back in 1961 at the very origin of the company. He advised me, without realizing what he was saying, that some of his stock was free stock and some of it he had never gone for a no-action letter on.

Under my limited knowledge of the securities business, I would like all stock which is registered in the name of Jack Ross or any of his relatives blocked at the transfer agent under the rules of fungibility. He advised that his certificates, good or bad, have no legend on them. I have no doubt that some day in the future he will try to sell them in the market. Just make sure that the transfer agent is advised of the blockage on this stock.

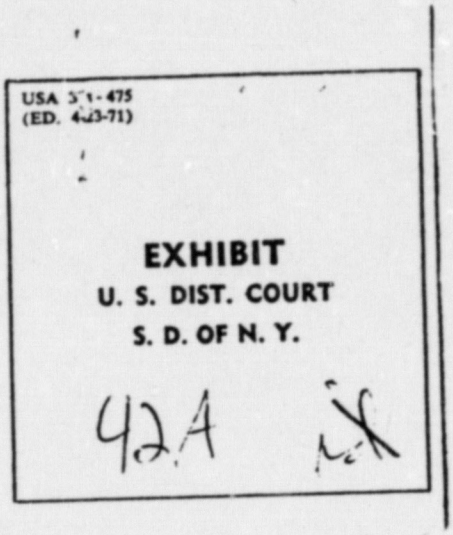
I have no desire for any future dealings with Mr. Ross, but want to make certain that none of the certificates are sold into the market and transferred.

I still have my valise packed, and am hopeful by the time you get this letter I will have received a call from you with the news that everything is completed with regard to the other matter and we are ready to go.

SS:ck

Best regards,

Stanley Snyder
Vice President


USA 5-1-475
(ED. 4-23-71)
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
42A

MENDLINGER, SNYDER, INC.

A-429

50 BROADWAY, NEW YORK, N. Y. 10004 • (212) 944-3630

January 29, 1971

Clark van der Velde, Esq.
van der Velde, Maslansky and Harris
1900 Avenue of the Stars
Suite 2510
Los Angeles, California 90067

Re: Belair Financial Corporation

Dear Clark:

During various discussions this week with Mr. Joseph Barlow, a substantial inside stockholder of Transition Systems, now Belair Financial Corporation, I have learned the following information:

Mr. Barlow originally received a note in October of 1966 which was converted into stock in 1967. At that time the stock was transferred to a corporation shown on the transfer sheets as Ajax Distributors Corp. On April 1 of 1969 the capital stock of Ajax Distributors was sold, except for the shares of Transition Systems which was then transferred out of Ajax into the name of Joseph O. Berlowitz, father of Joseph Barlow. Accordingly, I deem a new hold period to have begun as of April 1, 1969 and would like a definite block given to the transfer agent on all stock owned by Joseph Barlow, Ajax Distributors and Joseph O. Berlowitz.

I will go into all the above in greater detail when I see you within the next week or two.

Thank you for your repeated cooperation.

Sincerely,

Stan

Stanley Snyder
Vice President

cc: Gary A.Aminoff
SS:ck

P.S. I have just spoken to Mr. Robert M. Zweiman. On the copy of the transfer sheets I have his name is listed twice with different addresses with 500 shares as the quantity next to each address. There is also a Marie Zweiman for 100 shares, who I believe is a relative. Mr. Zweiman is not shown in any of our correspondence or original legal papers as being an insider, but during my conversation with him, he definitely mentioned his stock was unregistered. He didn't remember exactly how many shares he ows and he didn't say where he got them, but he did say they were unregistered. Kindly put a stop on all certificates in the name of Zweiman.

USA 33s - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

51 id

FPI-MI—4-8-74-30M-2001

SEC USE
FIRM NO.
SHEET NO.

U.S. SECURITIES AND EXCHANGE COMMISSION

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUDGET BUREAU NO. 71-R0066
APPROVAL EXPIRES AUG. 31, 1975
SEC 172 (8-70)

Name of Broker-Dealer: MERDINGER, SMYDER INC
50 BROADWAY NY NY 10004

Name of Security: BELAIR FINANCIAL CORP

CUSIP No. OTC

Data requested for the following TRADE Dates: From: 2/19/71 To: Present Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares — Long: 5100 Short: _____ None ☐ (Check if no position)

Name and telephone number of firm's employee to contact in regard to this Questionnaire: EDWIN MERDINGER (NAME) 944-3630 (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	2 19 71	300			3 1/2				EARL EDEN
02	2 19 71		200		3 3/4				ICAHN & Co.
03	2 22 71		1000		3 1/2				ERNST Fuller
04	2 23 71		300		3 1/2				ICAHN & Co.
05	2 23 71		500		3 7/8				WALSTON
06	2 24 71		100		4 1/4				FAHNESTOCK & Co
07	2 25 71	200			3 1/2				HOWARD J. ADLER 230 Park Ave NY
08	2 26 71		400		4	DIAM TRADING Co. P	55 W 58 ST NYC		BACHE & Co.
09	3 2 71	200			4 1/4				[illegible]
10	3 2 71	100			4 3/4				LEONARD FISH

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE) _____ SIGNATURE _____ DATE _____

A-432

SEC USE
FIRM NO.
SHEET NO.

U.S. SECURITIES AND EXCHANGE COMMISSION
SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUDGET BUREAU NO. 71-R0006
APPROVAL EXPIRES
AUG. 31, 1975

SEC 172 (8-72)

Name of Broker-Dealer
Mendelsohn, Snyder, Inc.
52 Broadway
New York, N.Y. 10004 Attn: Edwin Mendelsohn

Name of Security
Bowmar Financial Corporation

CUSIP No. O.T.C.

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

Data requested for the following TRADE Dates:
From: 2/19/71 To: PRESENT Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares
Long: _____ Short: _____ None ☐ Check if No position

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01									
02									
03									
04									
05									
06									
07									
08									
09									
10									

A-431

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

SIGNATURE

FIRM NO.

SHEET NO.

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUREAU OF [illegible] APPROVAL EXPIRES AUG. 31, 1975

SEC 172 (8-70)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates:

From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares (Check if position)

Long: _____ Short: _____ None ☐

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	3 27 71	B			43 3/4				[illegible] 75-34 [illegible]
02	3 27 71	200			43/4				[illegible] 2-4 Rockefeller Rockefeller
03	3271	200			4 3/4				Walter Hoter 221 W 57 St NYC.
04	3271	200			4 3/4				Arlene Kaufer 378 18 ave Brklyn
05	3271	200			4 3/4				[illegible] 3145 Ocean Dr Hallendale Florida
06	3271	300			43/4				FRED HELCHER 321 Griggs Ave Teaneck NJ
07	3271	500			4 3/4				[illegible] 325 E 64 St NYC
08	3271	100			4 3/4				[illegible] 10 E 40 St NYC
09	3271	500			4 3/4				[illegible] 65 W 55 St NYC
10	3271	200			4 3/4				[illegible] 1 Penn Plaza NYC

A-433

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

SIGNATURE

DATE

SEC USE

FIRM NO.

SHEET NO.

U.S. SECURITIES AND EXCHANGE COMMISSION
SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUDGET BUREAU NO. 71-R0006
APPROVAL EXPIRES AUG. 31, 1975

SEC 172 (8-70)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares
Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	3271	100			42 3/4				Miller Anstis 156 2nd Ave NYC
02	3271	100			43 1/4				Manning Caret 45 W 55 St NYC
03	3271	200			43/4				Lehman Brothers 680 Madison Ave NYC
04	3271	100			43 1/4				Edward Fisher 350 Bleecker St NYC
05	3271	100			43/4				Ira Haupt & Co 358 W 3 St Lawrence
06	3271	100			43/4				Fay Weiss 551 NE 175 St North Miami
07	3271	100			43/4				John Bergiola 1 Bank Los St Parkchester Pa
08	3271	100			43/4				Susan Meyer 60 Remsen St Bklyn
09	3271	100			43/4				Mitchell Shapiro 305 Lexington Ave NY
10	3271	100			43/4				Ted Simmons 83-20 9 St Woodhaven Q

A-434

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(a))

_____ OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

_____ SIGNATURE

_____ DATE

SEC USE
FIRM NO.
SHEET NO.

U.S. SECURITIES AND EXCHANGE COMMISSION
SECURITY TRANSACTIONS QUESTIONNAIRE

BUDGET BUREAU NO. 71-R006
APPROVAL EXPIRES AUG. 31, 1975
SEC 172 (8-70)

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: (No. of Shares — Check if No position)
Long: _____ Short: _____ None ☐

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	3 27 71	500			49 1/4				Jerry J Kerber, 2 Penn Plaza NYC
02	3 29 71		400		51 1/4				Loeb, Rhoades & Co
03	3 29 71		200		51 1/4	Meyer Grace	41 E 42 ST NYC		Hayden, Stone & Co
04	3 29 71		300		6				Loeb & Co
05	3 30 71	200			6				Carlisle & Co
06	3 30 71	100			5 1/2				Mitchell Hutchins
07	3 30 71		100		5 1/2				Bache & Co
08	3 30 71		500		5 1/2				Reynolds & Co
09	3 30 71		200		5 1/2				Merrill Lynch, Pierce, Fenner & Smith
10	3 30 71		100		5 1/2				Bache & Co

A-435

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C.

U.S. SECURITIES AND EXCHANGE COMMISSION

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUDGET BUREAU NO. 71-R0006
APPROVAL EXPIRES
AUG. 31, 1975

SEC 172 (8-70)

FIRM NO.

SHEET NO.

Name of Broker-Dealer:

Name of Security

CUSIP No.

Data requested for the following TRADE Dates:

From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: *No. of Shares*

Long: _____ Short: _____ None ☐ *Check if No position*

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO | DY | YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	3 5 71		200		6 1/2				Spencer, Gruss & Co
02	3 8 71		100		6 1/2				Oppee, Hanly Inc
03	3 8 71	3000			1 1/4				Lester C. Biggs 598 Madison Ave NYC
04	3 8 71	1200			1 1/4				Warren Siemens 598 Madison Ave NYC
05	3 8 71	500			1 1/4				Arthur Behrstock 250 W 57 St NYC
06	3 10 71	300			5 1/2				Ethel Talman 1645 Grand Concourse Bronx
07	3 10 71	100			5 1/4				N.Y. Hanseatic Corp
08	3 10 71	500			5				N.Y. Hanseatic Corp
09	3 11 71		200		5 1/8				Carey & Co
10	3 11 71		500		6				Carey & Co

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

SIGNATURE DATE

A-436

SEC USE
FIRM NO.
SHEET NO.

U.S. SECURITIES AND EXCHANGE COMMISSION
SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUDGET BUREAU NO. 71-R00(
APPROVAL EXPIRES
AUG. 31, 1975

SEC 172 (8-70)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: *No. of Shares*
Long: _____ Short: _____ None ☐ *Check if No position*

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	3 11 71		100		6				Bache & Co
02	3 11 71		300		5 3/4				Bear & Co
03	3 11 71		200		5 3/4				Herbert Weber
04	3 11 71		500		6				Norman Kurtz
05	3 12 71		500		6 1/2				Cohen, Simonson & Co
06	3 15 71		700		6 3/4				Philips Appel & Walden
07	3 16 71		200		6 3/4				Joel Ruchman
08	3 17 71		50		6 3/4				Simon Cohen
09	3 10 71		300		6 3/4				Irving Cohen
10	3 19 71		400		7				Sieger Mosley

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

SIGNATURE

DATE

A-437

U.S. SECURITIES AND EXCHANGE COMMISSION

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

SEC USE
FIRM NO.
SHEET NO.

BUDGET BUREAU NO. 73-R00
APPROVAL EXPIRES
AUG. 31, 1975
SEC 172 (8-70)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: (No. of Shares)
Long: _____ Short: _____ None ☐ (Check if no position)

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	3 18 71		1000	↑	6 3/4				Kelly, Andrews Bradley
02	3 18 71		300		7 1/4				Icahn & Co
03	3 18 71		100		7 1/2				J.D. Winer & Co
04	3 18 71		200		7 5/8				Icahn & Co
05	3 18 71		300		7 3/4				Icahn & Co
06	3 19 71		300	↑	13/4				Kelly Andrews, Bradley
07	3 19 71		1200	↑	8				Kelly, Andrews, Bradley
08	3 19 71		1300	↑	8				Kelly, Andrews Bradley
09	3 19 71		500	↑	8				Kelly, Andrews, Bradley
10	3 19 71		100		7 1/2				Bache, Hoppe, Valley

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

SIGNATURE

DATE

A-438

SEC USE

FIRM NO.

SHEET NO.

U.S. SECURITIES AND EXCHANGE COMMISSION
SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUDGET BUREAU NO. 71-R0006
APPROVAL EXPIRES
AUG. 31, 1975

SEC 172 (8-70)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares
Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	3 19 71		600		9 1/4				Icahn & Co
02	3 19 71		100		9 1/4	Joan Send	220 E79th ST NYC		Icahn & Co
03	3 19 71		100		9 1/4	Margaret Ayers	220 W98th ST. NYC		Icahn & Co
04	3 19 71		100		9 1/4	Joel Buchman	10 E40th ST NYC		Icahn & Co
05	3 19 71		50		9 1/4	Sandra Sepner	46-17 Vernon Blvd LIC NY		Icahn & Co
06	3 19 71		100		9 3/4	Joel Buchman	10 EAST 40th ST. NYC		Icahn & Co
07	3 19 71		300		9 3/4	Linda Blair	115 EAST 92nd ST NYC		Icahn & Co
08	3 19 71		300		8 1/2	Irving Cohen	46-17 Vernon Blvd LIC NY		Icahn & Co
09	3 19 71		200		8 1/2	Irving Cohen	99-05 63rd Dr Forrest Hills NY		Icahn & Co
10	3 19 71		200		9	Miriam Kuriz	65 WEST 9th ST		[illegible]

A-439

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

SIGNATURE

DATE

SEC USE

FIRM NO.

SHEET NO.

SECURITIES AND EXCHANGE COMMISSION

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUDGET BUREAU NO. 71-R0006
APPROVAL EXPIRES
AUG. 31, 1975

SEC 172 (8-70)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares
Long: _____ Short: _____ None ☐ Check if no position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	[illegible]		200		[illegible]	[illegible]	9905 63rd Dr Forest Hills NY		[illegible]
02	[illegible]		[illegible]		[illegible]	Linda Blair	115 E 92 St NYC		[illegible]
03	[illegible]		200		[illegible]	Herbert Ingber	1080 5th Ave NYC		[illegible]
04	[illegible]		100		9 3/4	Norman Kurtz	65 W 55 St NYC		C.D. Winer
05	[illegible]		100		7 3/4	Linda Blair	115 E 92 St NYC		C.D. Winer
06	[illegible]		500	↑	7 3/4	Reuben Dick	1295 Grand Concourse Bronx		Selig Hendrews, Brooklyn
07	[illegible]		[illegible]	↑	7 3/4	Norman Kurtz	65 W. 55 St NYC		[illegible]
08	[illegible]	100			[illegible]				[illegible]
09	[illegible]	200			[illegible]				F.C. Kluger & Co
10	[illegible]		[illegible]	↑	9 5/8				[illegible]

A-440

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

SIGNATURE DATE

A-441

SEC USE
FIRM NO.
SHEET NO.

U.S. SECURITIES AND EXCHANGE COMMISSION

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUDGET BUREAU NO. 71-R000
APPROVAL EXPIRES
AUG. 31, 1975

SEC 172 (8-70)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following **TRADE Dates:**
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares
Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	3 22 71		600		10 1/8				Icahn & Co
02	3 22 71		500		10 1/4				Icahn & Co
03	3 22 71		600		10 3/8				Icahn & Co
04	3 22 71		500		10 1/2				Hallowell, Sulzberger & Jenks
05	3 22 71		200		10 1/4				J. D. Winer
06	3 23 71	300			10 1/2				E.W. SMITH
07	3 23 71		500		10 1/2				Kelly, Andrews & Ruffin
08	3 23 71		100		11				Icahn & Co
09	3 23 71		200		11				Kelly, Andrews & Ruffin
10	3 23 71		100		11 1/4				Tom Bower Weeks

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(

OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

SIGNATURE

DATE

A-442

FIRM NO.

SHEET NO.

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUDGET BUREAU NO. 71-R0066
APPROVAL EXPIRES AUG. 31, 1975

SEC 172 (8-70)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates: From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares — Long: _____ Short: _____ None ☐ Check if no position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER OR OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	3 24 71	200			10 1/4				Loewen, Gilbertson, Inc.
02	3 24 71		200		10 3/4				Icahn & Co
03	3 24 71		200		11				Bramson
04	3 25 71		300		10 1/2				Phillips, Hoffer & Walden
05	3 26 71	100			10 3/4				Jerald Karlan 2 Penn Plaza NYC
06	3 26 71	200			10 3/4				Suplee, Mosley
07	3 26 71		270		11 1/4				Phillips, Hoffer, Walden
08	3 29 71	500			10 3/4				Suplee, Mosley
09	3 29 71		100		11 1/4				Phillips, Hoffer, Walden
10	3 30 71		50		11 1/2				Carl H. Pforzheimer & Co

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(a))

_____ OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

_____ SIGNATURE

_____ DATE

A-443

SEC USE
FIRM NO.
SHEET NO.

U.S. SECURITIES AND EXCHANGE COMMISSION
SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUDGET BUREAU NO. 71-R0006
APPROVAL EXPIRES AUG. 31, 1975
SEC 172 (8-70)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares
Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	3 30 71	100			11 1/4				Jerrald Karlan 2 Penn Plaza NYC
02	3 31 71	50			10 1/2				Wellington Hunter Assoc
03	4 1 71	5200			9				Roy E. Nelson Enns 531 Balboa Blvd Cal
04	4 5 71	100			10 1/2				Suplee, Mosley
05	4 6 71		100		10 3/4				Kelly, Andrews, Bradley
06	4 8 71		100		10 3/4				Goodbody & Co
07	4 14 71		200		10	Carol Ann Kursch	5800 Arlington Ave Bronx		Kelly, Andrews, Bradley
08	4 14 71		500		10 1/2				Suplee, Stegall
09	4 14 71		500		10				Courtland Nat Fin and
10	4 14 71		300		11				J.D. Winer

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

SIGNATURE

DATE

A-444

U.S. SECURITIES AND EXCHANGE COMMISSION

SECURITY TRANSACTIONS QUESTIONNAIRE

BUDGET BUREAU NO. 71-R0006
APPROVAL EXPIRES
AUG. 31, 1975

SEC 172 (8-70)

SEC USE
FIRM NO.
SHEET NO.

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares (Check if no position)
Long: _____ Short: _____ None ☐

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	4 14 71		200		11				Icahn & Co
02	4 14 71		100		11 1/4				Steiner, Rouse
03	4 15 71	200			12				Schweickart & Co.
04	4 15 71		500		11 3/4				J.D. Winer
05	4 19 71		100		12 1/4				Felly, Andrews, Bradley
06	4 20 71	200			12 3/4				Icahn & Co.
07	4 22 71		500		12 7/8				Icahn & Co.
08	4 22 71		500		13				Icahn & Co.
09	4 23 71	500			12 1/4				Phillips Appel, Walden
10	4 27 71	300			12 1/2				

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(e))

_____ SIGNATURE _____ DATE

_____ OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

A-445

SEC USE
FIRM NO.
SHEET NO.

U.S. SECURITIES AND EXCHANGE COMMISSION
SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUDGET BUREAU NO. 71-R006
APPROVAL EXPIRES
AUG. 31, 1975

SEC 172 (8-70)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares
Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	4 30 71	500			12				Philips, Appel, Walden
02	4 30 71	100			12 1/4				Dean + Co
03	4 30 71		200		12 3/4				J.D. Winer
04	4 30 71		500		13				Kelly, Andrews, Bradley
05	4 30 71	1000			14				Roy Nelson Exch. 5301 Balboa Blvd Col
06	4 30 71	2000			14 1/2				Kelly, Andrews, Bradley
07	4 30 71	5000			14 1/2				Kelly, Andrews, Bradley
08	4 30 71	500			15				Chartered Investments
09	5 3 71	500			15 1/16				Chartered Investments
10	4 30 71	2000			14				Roy Nelson Exch. 5301 Balboa Blvd. Col

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

SIGNATURE

DATE

A-446

FIRM NO.

SHEET NO.

U.S. SECURITIES AND EXCHANGE COMMISSION
SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUDGET BUREAU NO. 71-R0006
APPROVAL EXPIRES
AUG. 31, 1975

SEC 172 (8-70)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares
Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	4 30 71		20,000		14 3/4				Hayes + Co.
02	4 30 71		20,000		14 3/4				Crartered Weldand
03	4 30 71		200		15				Icahn + Co
04	5 3 71	400			14 3/4				Bache + Co
05	5 3 71	200			14 1/2				Bache + Co
06	5 3 71	100			14 3/4				Schweickart + Co
07	5 3 71	900			14 1/4				Bache + Co
08	5 3 71	800			14				Bache + Co,
09	5 3 71	100			14 1/4				Fischel Manning
10	5 3 71		100		15 3/4				Bache + Co

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

SIGNATURE

DATE

A-447

SEC USE
FIRM NO.
SHEET NO.

U.S. SECURITIES AND EXCHANGE COMMISSION
SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUDGET BUREAU NO. 71-R0006
APPROVAL EXPIRES AUG. 31, 1975
SEC 172 (8-70)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares
Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DAY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	6 4 71		500		14 3/4				Bache & Co
02	6 4 71		500		14 1/2				[illegible]
03	6 4 71	100			14 1/4				Icahn & Co
04	6 4 71	500			14				Hornblower, Weeks
05	6 5 71	100			14				Bache & Co
06	6 5 71	1100			13 3/4				N.P.O.
07	6 7 71	500			14 3/8				Kelly Andrews, Trading
08	6 7 71		1000		14				Bache & Co
09	6 7 71		200		14				Icahn & Co.
10	6 7 71		1000		14 1/2				Bache & Co

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. [illegible] and 15 U.S.C. 78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

SIGNATURE

DATE

A-448

SEC 8SE
FIRM NO.
SHEET NO.

U.S. SECURITIES AND EXCHANGE COMMISSION
SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUDGET BUREAU NO. 71-R0006
APPROVAL EXPIRES AUG. 31, 1975
SEC 172 (8-70)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares
Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	5 17 71		1100		14 1/2				Zache & Co
02	5 [illegible] 71	100			14 1/4				Carl Pforzheimer
03	5 11 71	100			14 1/4				C.B. Richard, Ellis
04	5 [illegible] 71	200			13 1/2				Harrocco + Co.
05	5 17 71	100			13				Harrocco + Co
06	5 18 71		6700		11				Bert Zaret. Arbitrage 122 Genesee Blvd Buffalo
07	5 18 71	200			12 1/2				First Manhattan
08	5 [illegible] 71		200		12 3/4				Zache & Co
09	5 [illegible] 71		300		13				Zache & Co
10	5 [illegible] 71	500			12 3/4				Icahn & Co

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

SIGNATURE

DATE

A-449

SEC USE
FIRM NO.
SHEET NO.

U.S. SECURITIES AND EXCHANGE COMMISSION
SECURITY TRANSACTIONS QUESTIONNAIRE

BUDGET BUREAU NO. 71-R0008
APPROVAL EXPIRES AUG. 31, 1975
SEC 172 (6-70)

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares
Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	ADDRESS (If customer)	5 REG. REP. No.	6 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)	7
01	5-24-71		700		13				Redstone Securities	
02	5-24-71		100		13¼				Bache & Co	
03	5-24-71		1,000		13½				Bacher Co	
04	5-24-71		300		14				Bacher Co	
05	5-24-71		200		14	Gerald Karlan	2 Penn Plaza NYC		Bacher Co	
06	5-25-71	6700			14				Bert Zaret 122 Genesee BLVD Atlantic Beach, NY	
07	5-26-71	500			13				Smith Jackson	
08	5-27-71	200			11½				Bacher Co	
09	5-27-71	300			11½				Icahn Co	
10	5-27-71	100			11				Chartered New Eng.	

ATTENTION---Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a))

_____ _____
OFFICIAL SIGNATURE

A-450

SECURITIES AND EXCHANGE COMMISSION

SECURITY TRANSACTIONS QUESTIONNAIRE

BUDGET BUREAU NO. 71-R0065
APPROVAL EXPIRES
AUG. 31, 1975

SEC 172 (9-70)

NO.

SHEET NO.

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates:

From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares

Long: _____ Short: _____ None ☐ Check if no position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO | DY | YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	5-27-71	100			10 1/4				Chartered New England
02	5-27-71	200			9 1/2				Bacher Co.
03	5-28-71		400		11				John H. Kaplan & Co.
04	6-1-71		700		11				Seed Capital
05	6-1-71	200			11				Steiner Rouse
06	6-1-71	400			10 1/2				Steiner Rouse
07	6-1-71	300			9 1/2				Walston & Co.
08	6-2-71		400 ~~300~~		9 7/8				Redstone Securities
09	6-2-71	200			9 1/4				Bacher Co.
10	6-2-71	500			9 1/4				Chartered New England

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations (See 18 U.S.C. 1001 and 15 U.S.C.78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS

SIGNATURE

DATE

A-451

FIRM NO.

SHEET NO.

U.S. SECURITIES AND EXCHANGE COMMISSION

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUDGET BUREAU NO. 71-R0006
APPROVAL EXPIRES AUG. 31, 1975

SEC 172 (8-70)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates: From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: (No. of Shares) Long: _____ Short: _____ None ☐ (check if no position)

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ. NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	6-7-71	200			9				Walston & Co.
02	6-3-71	100			9 1/2				Pressman Frohlich
03	6-7-71	25			8 3/4				Bacher Co.
04	6-9-71	100			6				C.B.W.L. Hayden Stone
05	6-10-71	200			6 1/2				Granger & Co
06	6-10-71		700		7				Bacher Co
07	6-10-71		200		7 1/8				Patek Planning
08	6-11-71	100			8				F.M. Mayer
09	6-11-71		250		8				J.P. WINER
10	6-14-71	100			6 1/2				Bacher Co.

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violation. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS

SIGNATURE

DATE

A-452

SEC USE
FIRM NO.
SHEET NO.

U.S. SECURITIES AND EXCHANGE COMMISSION
SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUDGET BUREAU NO. 71-R0006
APPROVAL EXPIRES AUG. 31, 1975
SEC 172 (5-70)

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares
Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

1	2			3	4	5	6	7
SEQ NO.	TRADE DATE MO DY YR	NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	PRICE	PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	ADDRESS (If customer)	REG. REP. No.	BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	6-14-71	100			6				Bacher Co.
02	6-21-71	100			5 1/2				Bacher Co.
03	6-21-71	100			5				Bacher Co.
04	6-21-71	300			2				Bacher Co.
05	6-21-71	500			1 1/4				Bacher Co.
06	6-22-71		500		2 1/2				Redstone Securities
07	6-23-71		200		4				Phillips Appel & Walden
08	6-23-71	200			2				Bacher Co.
09	6-24-71	200			4				John H. Kaplan
10	6-24-71		65,000		3 1/2				Redstone Securities

ATTENTION—Intentional misstatements or omissions

SEC USE
FIRM NO.
SHEET NO.

U.S. SECURITIES AND EXCHANGE COMMISSION
SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

BUDGET BUREAU NO. 71-R000
APPROVAL EXPIRES AUG. 31, 1975
SEC 172 (6-70)

A-453

Name of Broker-Dealer

Name of Security

CUSIP No.

Data requested for the following **TRADE** Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares
Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	6-24-71		1,000		H				New Dimension Securit
02	6-24-71		50		H 1/2				Bache & Co.
03	6-25-71	39,450			2 1/2				Joseph C. Berlowitz
04	7-7-71	200			4 1/2				Bache & Co.
05	7-6-71	200			4 1/2				Bache & Co.
06	7-8-71		300		5 1/2				Phillips Appel & Walden
07	7-9-71	100			5				Leyner, Driskin
08	7-9-71		300		4 3/4	Peter Cooper Assoc.	400 EAST 56th ST NYC		A. J. CRANO
09	7-12-71		200		5	Peter Cooper Assoc.	400 EAST 56th ST. NYC		J. D. WINER
10	7-15-71		500		5 1/4	Peter Cooper Assoc.	400 EAST 56th ST. NYC		J. D. WINER

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

SIGNATURE

A-454

SEC USE
FIRM NO.
SHEET NO.

U.S. SECURITIES AND EXCHANGE COMMISSION
SECURITY TRANSACTIONS QUESTIONNAIRE

BUDGET BUREAU NO. 71-R.
APPROVAL EXPIRES AUG. 31, 1975
SEC 172 (8-70)

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

CUSIP No.

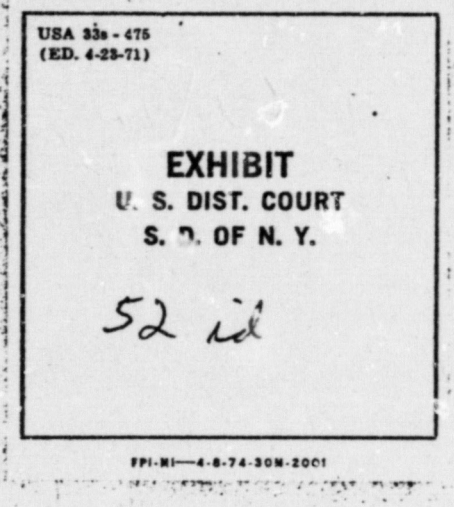
Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: *No. of Shares*
Long: _____ Short: _____ None ☐ *Check if No position*

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	7-2-71	500			4-3/4				Bache & Co.
02	7-2-71	900			4 1/2				Bache & Co.
03	7-26-71		300		4	Peter Cetra Assoc.	400 East 56th St. NYC		Redstone Securities
04	10-5-71		100		3				ICAHN & Co
05									
06									
07									
08									
09									
10									

ATTENTION—Intentional misstatements or omissions of


USA 33s - 475
(ED. 4-23-71)
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
52 id
FPI-NI—4-8-74-30M-2001

SHEET NO. _____ ACCOUNT NO. _____

TERMS _____ NAME Belair Financial Trading

RATING _____ ADDRESS _____

CREDIT LIMIT _____

DATE 71		ITEMS	PRICE	DEBITS	DATE 71		ITEMS	PRICE	CREDITS
3/9	200	Deakin Co., Inc.	4½	900 00	3/9	100	Paine Webber Jackson	6	600 -
	200	Axelrod & Co. To J. D. Weeks & Co		900 00	3/10	200	Bache & Co	6½	1300 -
3/11	200	E.W. Smith & Co	5 3/4	1150 -		100	Dean Witter & Co	6½	650 -
	625	Dupont Glore Forgan	5 3/4	3593 75		100	Russel & Sole	6½	650 -
	500	Hardy & Co	6 1/8	3062 50		500	First Manhattan	6½	3250 -
	200	Carl Eddem Co	6	1200 -		100	G.J. Rotker & Co	6½	650 -
3/12	500	E.W. Smith & Co	6 1/8	3062 50	3/11	1000	Supplee Mosley & Co	6¼	6250 -
	100	E.W. Smith & Co	6 1/8	612 50		1000	" "	6½	6500 -
	200	E.W. Smith & Co	6¼	1250 -		200	Hank Greenis	6½	1300 -
	200	E.W. Smith & Co	6 1/8	1225 -		200	Josephine Monurelli	6½	1300 -
	200	E.W. Smith & Co	6 1/8	1225 -		1000	Elliot Kassel & Henry Paterson	6 5/8	6625 -
3/15	2 25 700	E.W. Smith & Co	6 1/8	4287 50		200	William Knowels	6 5/8	1325 -
	500	Carl Eddem & Co	6¼	3125 -		300	Bernard Gardner	6 5/8	1987 50
	100	Weis Voisin & Co	6¼	625 -		5000 2075		15	331 25 32 37 50
3/16	300	Axelrod, Toby & Kirk	6 -	1800 -	3/15	400	Supplee Mosley Close	6½	2600 -
	500	Carl Eddem & Co	6 -	3000 -		300	Jack Scheer	6¾	2025 -
3/17	500	Abraham & Co	5 5/8	2750 -	3/16	100 5800	Supplee Mosley Close	6½	650 -
	500 6025	Axelrod & Co	6 -	3000 -	3/18	200	Dr. John F Kendl	5 7/8	1175 -
3/18	100	N.Y. Hanseatic Corp	6¼	625 -		100	Stephen Steiner	5 7/8	587 50
	200 6325	Bache & Co	6¼	1250 - 37418 75		100	Kohn & Co	6¾	675 -
3/23	300	Tebo Bullard Smith	6½	1950 -		200	Steiner Rouse & Co	6¼	1250 -
3/24	500	John J Pelleso	6¾	3375 -		200	" "	6½	1300 -
	400	N.Y. Hanseatic Co	6¾	2700 -		200	Russel & Sole	6 -	1200 -
3/25	300	Kiesen Co 3/c AC	7	2100 -		100	Jack Foster & Co	6¾	675 -
	500	" "	6 7/8	1371 -		6300 575		7106.25	41525 -
					3/19	500	John J Pelleso		

Form V95-10
UNGER STATIONERY & PRINTING CO., INC.
47 Ann St. New York City, N.Y. 10038.
Phone: 267-3933

71						71					
3/9	200	Deahn Co. Inc	4½		900 00	3/9	100	Paine Webber Jackson	6		600 -
	200	Rockrod Co. Te J. D. Winer Co	"		900 00	3/10	200	Boebe & Co	6½		1300 -
3/11	200	E W Smith & Co	6 3/4		1150 -		100	Dean Witter & C	6½		650 -
	625	Dupont Glore Forgan	6 3/4		3593 75		100	Russel & Sale	6½		650 -
	500	Hardy & Co	6⅛		3062 50		500	First Manhattan	6½		3250 -
	200	Carl Edden Co	6		1200 -		100	G J Rother & Co	6½		650 -
3/12	500	E W Smith & Co	6⅛		3062 50	3/11	1000	Lupplee Mosley & Clo	6¼		6250 -
	100	E W Smith & Co	6⅛		612 50		1000	" "	6½		6500 -
	200	E W Smith & Co	6¼		1250 -		200	Hart Genovis	6½		1300 -
	200	E W Smith & Co	6⅛		1225 -		200	Josephine Monurelli	6½		1300 -
					16955 25		1000	Elliot Kassel & Henry Paterson	6⅜		6625 -
3/15	700	E W Smith & Co	6⅛		4287 50		200	William Knowels	6⅝		1325 -
	500	Carl Edden & Co	6¼		3125 -		300	Bernard Gudmon	6⅝		1987 50
	100	Wm Voisin & Co	6¼		625 -		5000	2075		15,937 25	32 50
3/16	300	Upshaw, Tody & Kirk	6 -		1800 -	3/15	400	Lupplee Mosley Close	6½		2600 -
	500	Carl Edden & Co	6 -		3000 -		200	Jack Scheer	6¾		2025 -
3/17	500	Abraham & Co	5½		2750 -	3/15	100	Lupplee Mosely Close	6½		650 -
	500	Upshaw & Co	6 -		3000 -		5800				
	6025					3/18	200	Dr John F Kendi	5⅞		1175 -
3/18	100	N Y Hanseatic Corp	6¼		625 -		100	Elizabeth Steiner	5⅞		587 50
	200	Bache & Co	6¼		1250 -		100	Kleen & Co	6¾		675 -
	6325				37918 75		200	Stern Rouse & Co	6¼		1250 -
3/23	300	Tebe Baker & Smith	6½		1950 -		200	" "	6½		1300 -
3/24	500	John J Pelleco	6¾		3375 -		200	Russel & Sale	6		1200 -
	100	N Y Hanseatic Co	6¾		2700 -		100	Leif Foster Liberle	6¾		675 -
3/25	300	Green & Co 3/c AC	7		2100 -		6900	575		7106.25	44525 -
	200	" " "	6⅞		1375 -	3/19	500	John J Pellicio	6⅛		3087 50
	1000	Wood Gundy Snyder	6¾		6750 -		200	Dr Melvin Hale & Son S/S	6⅜		1375 -
3/26	1200	Wood Gundy "	8		9600 -		300	Hurst & Ruth Simonds	6¾		2025 -
	1000	" "	7¾		7750 -		350	Jos & Peggy Miranda	6⅞		2406 25
	1000	Hardy & Co	7¾		7750 -		100	Jos Miranda c/o Vale	6⅞		687 50
	300	Green & Kluger	8¾		2625 -		125	Jos Miranda c/o Jones Dr	6⅞		859 37
	17525					8	55				55111 75

Form V95-10
UNDERHILL SECURITY & PRINTING CO., INC.
47 Ann St. New York City, N.Y. 10038.
Phone: 267-3933

A-457

DATE	ITEMS	DEBITS		FOLIO	CREDITS	
3/26	100 Johnstock	9	900 -			
	300 Evans & Co / Kluger	8½	2550 -			
	100 Kulas - Hickey	6¼	625 -			
	1000		93093 75			
3/29	18925	9⅝	1775 -			
	200 Mendlinger Snyder	10	2000 -			
	200 Edw Ballard	10¼	1125 -			
	500 Evans Co A/C	10	2000 -			
	200 " "	9¾	2925 -			
	300 " " "	7⅞	587 50			
	150 S. Steiner / Connells	10½	3150 -			
3/30	300 Evans / Kluger	10	10000 -			
	1000 Conrad M Fuller - Co	10¼	1250 -			
	500 Mendlinger Snyder	9½	19000 -			
3/31	2000 Evans / Kluger		140906 25			
	19625 2875	18,668.75				
3/31	Trading P & L		5318 75			

DATE	ITEMS	FOLIO	CREDITS	
	71			
	8450			
3/18	100 Chas Kolb	6⅞	687 50	
	100 Jackson Fischer	6⅞	375 -	
	8 7250 2425 19,787.50		17206 25	
3/23	450 Lyglee Mosely	7	3150 -	
3/24	300 Geo Meissner	7½	2250 -	
	100 Evans Kluger Monroe Cohen Stevens	7½	750 -	
3/25	200 Brenda Pawlocki	7½	1500 -	
	200 Dryfoos a/c Chas	7½	1500 -	
	200 " " "	7⅜	1475 -	
	300 Steiner Rouse - Co	7½	2250 -	
	200 " " "	7⅛	1425 -	
3/26	100 August Hower Jr	8¼	825 -	
	200 Joseph Neuman	8¼	1650 -	
	200 Geo Bragman	7⅜	1475 -	
	200 Dryfoos / Chartered	9¼	1850 -	
	1000 Lyglee Mosely	8¾	8750 -	
	300 " "	8⅜	2512 50	
	300 Dryfoos / Chartered	8¼	2475 -	
	1000 " "	7½	7500 -	
	400 Schuman Hochstein	8	3200 -	
	14400 475 $726.00		10 1818 75	
3/29	150 Guard Cno	10½	1050 -	
	250 " "	10⅜	2593 75	
	500 C B & Hayden Stone	10	5000 -	
	300 Dryfoos / Chartered	10	3000 -	
	300 Guard Cno.	9¾	2925 -	
3/30	1000 Hess Klewer Works	10⅛	10125 -	
	300 Dryfoos / Chartered	10¾	3225 -	
	17150		130237 50	

A-458

	71				85262.50
	9425				
4/27	300	Cealon Co	12	2400 -	
			12¾	3825 -	
4/23	3	F I Dupont		91487.50	
	8925	925	2187.50		
4/26	100	Horn blower Weeks	12½	1250 -	
	200	Laird Bissell	12¾	2550 -	
4/27	200	President Lee	12⅛	2425 -	
	50	F I Dupont	12¼	612.50	
	200	I F Rothschild & Hommersley	12¼	2450 -	
	9675	1175			
4/28	400	Cealon Co	12½	5000 -	
	400	Adelbert	12½	5000 -	
	500	Dreyfoos / Chouteau	12½	6250 -	
	10975	475			
4/29	100	" Josephthal Co	12½	1250 -	
	300	Horn blower Weeks	12½	3750 -	
4/30	500	Cealon Co	12¼	6125 -	
	300	President Lee	12½	3750 -	
	500	Albert Beckerman	12½	6250 -	
	600	Robert O Lew	12½	7500 -	
	13275	875		145650 -	
4/30		Trading P & L		11200 -	

	71				86625 -
	7800				
4/23	100	F I Dupont	13¼	1325 -	
	50	David Brown	13½	675 -	
	500	Joseph Hoffman	13½	6750 -	
	8000			99300 -	
4/27	200	Anthony De Martini	12¾	2550 -	
	300	Gladys Hold	12¾	3825 -	
	8500				
4/28	1000	Horn blower Weeks	12¾	12750 -	
	"	"	12¾	12750 -	
	400				
	10500				
4/29	300	Cealon Co	12⅞	3862.50	
	100	" "	12⅞	1287.50	
4/30	100	Joseph Ruby Lombardo	13½	1350 -	
	100	Dudley Jeffries	13⅛	1212.50	
	100	Jerome Block	13	1300 -	
	100	Saron Armerding	13	1300 -	
	100	Peter Caruso	13¼	1325 -	
	1000	Morocco Lee	13	13000 -	
	12400	262.50		145912.50	

Qtr	31	B Down			10937.50
	875				
4/3	200	Turner Rose	12½	2500 -	
5/4	100	1st ng Equities	12¾	1275 -	
	100	Dreyfoos / Chouteau	12½	1250 -	
5/5	200	I F Rothschild Hommersley	12	2400 -	
	500	Haven Field & Comp	12¼	2450 -	
	1475			20212.50	

5/3	100	Bache & Co	13	1300 -	
5/6	200	Fid Foster Wade	12¾	2550 -	
	300				
5/7	5000	Mendlenger Snyder	14½	72500 -	
	"	"	14½	87000 -	
	600		5462.50	163350 -	
	11300				

Trading

1971		ITEMS	FOLIO	
		Brought Down		23987 50
1/1	300	Colwell Simonson & Rea	10	3000 -
1/1	2775	Lupelle Moseley	10¾	10725 -
	100	12th N of Quintus (cont.)	11	2200 -
1/8	700	Lupelle Moseley	10½	7725 -
	125	625		34987 50
1/13	3 200	Rob. + Mildred Hendler (Cancel 1/10)	10½	2100 -
	3 725	525		
1/14	100	First Manhattan	10¾	1075 -
	50	C B Richard Ellis	11	550 -
	100	G J. Rothen	10½	1050 -
	200	Steiner Rouse	10¼	2050 -
	100	Lupelle Moseley	10½	1050 -
1/15	200	Joseph Newman	10¾	2150 -
	200	Morris Schley	10½	2100 -
	100	Keen Co	10½	1050 -
	300	F I Dupont	10½	3150 -
1/16	350	Joseph + Peggy Maranda	10¼	3587 50
	100	Jos Maranda c/f Vito	10¼	1025 -
	100	" c/f Louis J	10¼	1025 -
	5625	1125 8025.00		56900 -
1/19	300	125 Manhattan	10⅛	3037 50
	1000	Elliott Kendle H Rudenstine	10	10000 -
1/20	200	F I Dupont	9½	1900 -
	100	Jay W Kaufman Co	10	1000 -
	300	Stewart + Ruth Samuels	10¼	2075 -
	525	525		
1/21	200	F I Dupont	10¼	2050 -
	300	" "	11	3300 -
	100	Mendlinger Snyder	10	1000 -
	300	Jay W Kaufman	10	3000 -
	8525	2425		85262 50

1971		ITEMS	FOLIO	
1/1	1000	Hornblower Weeks	10¾	10750 -
	300	Dreyfoos / Chent.	10½	3150 -
	400	" "	10¼	4100 -
	200	" "	10¼	2050 -
	400	Wd Fahco	11	4400 -
1/6	2 300	Edward Singer	11½	2300 -
	300	C B Richard Ellis	11½	3375 -
	2 900	25 C " "	11	1100 -
1/7	100			31225 -
	2 900			2200 -
1/12	200	Dreyfoos / Chartered	11	
1/13	100	Rob. Charnow	11½	1150 -
	3 200			
1/16	1000	Milton Klavis	11	11000 -
	100	Michael Grossman	11	1100 -
	200	Shirlee Hall	11	2200 -
	4 500			48875 -
1/19	100	Leslie + Shawn Cohen F/T Wros	11	1100 -
	500	Augustin De Blasio	11	5500 -
1/20	100	Jack Stern	11	1100 -
	5 200			
1/21	200	Hallie Steinlitz Corp	10½	2100 -
	200	Dreyfoos c/ Chartered	11	2200 -
	200	" "	11	2200 -
	200	" "	10¾	2150 -
	6 900			
1/22	500	Henry Ridge	12½	6250 -
	100	Ashland c/Mayflower	12½	1250 -
	500	Dreyfoos c/ Chartered	11¾	5875 -
	500	Matthew Hayden	11¾	5875 -
	200	R2 + M Handler (Reinstatement)	10½	2150 -
	7 500			2 6625 -

Form V5-10
UNGER STATIONERY & PRINTING CO., INC.
67 Ann St. New York City, N.Y. 10038
Phone: 267-3933

71

					167000 -
5/17	1525 200	Angelina De Blasio	14		2800 -
5/18	200	Robert O Lee	13¾		2750 -
5/19	300	V F Lusco	14		4200 -
	200	" "	13¾		2750 -
5/20	200	Steiger Rouse	12½		2700 -
	13925 1825	7387.50			102200 -
5/24	200	Mercer & Co	13¼		2650 -
	100	Rothschild / Hammerslagg	13		1300 -
	100	Ashland / Mayflower	12¾		1275 -
	50	Weis / Dixon	12¾		637 50
5/25	200	1st Manhattan	12½		2500 -
	14575 1375	1425.00			120562 50
5/28		Trading Dr			1693 75

71

5/25	1375	B Dixon			183562 50
6/1	200	Barnard Gutman	13	1	2600 -
	100	Saran Armstrong	13¼	1	1325 -
	100	Dupont Glore Forgan	13	1	1300 -
	~~300~~ 3775	~~Nesbit Logan Smyth~~ 375	~~13½~~	1	~~2700 00~~
6/2	200	Melton Varis	13½	1	2700 -
	100	Alex Louis Sachs	13¾	1	5500 -
6/3	300	Dupfoos / Chamberlain	13¾	1	4125 -
	100	Walston & Co	13½	1	1350 -
	100	Lehman Rhoades / Smith Jackson	12½	1	1250 -
6/5	200	David Bussell	12½	1	2700 -
6/6	100	Dupfoos / Chamberlain	11	1	1100 -
	3175				423075
6/7	200	V F Lusco	11		2200 -
	100	" "	11		1100 -
6/9	100	Moore & Schley	9		900 -
	100	Dupfoos / Chamberlain	9⅛		4562 50
					510875

6/1	100	Becker & Co	13½	1	1387 50
	300	Parker England	14	1	41887 50
6/1	300	Ashland / Mayflower	14	1	4809625
	3500 325	6062 50			483675
6/7	200	E F Hutton	11½		2292 50
	100	Alex Louis Sachs	11		1381 25
	100	Lehman Rhoades / Chapman	11½		1146 25
	300	225	6220.00		728875
6/16	200	J & W Seligman	7		1395 -
	500				868375

A-461

71		ITEMS		2081250
	1475			
5/6	500	Robert Olsen	12¾	6375 -
	240	Dryfoos / Chartered	12¼	3075 -
	200	" "	13½	4050 -
	300	Mendlinger Snyder	13	3900 -
	100	Rosenthal & Co	13	1300 -
	300	Ocahn	13	3900 -
	3475			
5/9	1000	Stuart & Ruth Samuels	13¾	13750 -
	100	Robert Charnow	13½	1350 -
	200	Laird Bunell & Mail	14¼	2850 -
	4500	Snyder Mosely	12½	56250 -
	300	Jack Scheer	13¼	3975 -
	100	Jerome Kaye Morris Cole	13¼	1325 -
	200	Brenda Pawlosky	13¼	2650 -
	300	Marge Meneses	13¼	3975 -
	100	Ann Kalt	13¼	1325 -
	200	Michael Greasman	13½	2700 -
	100	Al & Lori Sachs	13½	1350 -
	200	Rob & Mildred Hamlin	13½	2700 -
	200	Geo Bragman	13½	2700 -
	50	Irwin Klein	13½	675 -
	100	Arielle Gould	13½	1350 -
	500	Hagopian Wilson	14¾	7375 -
	100	Rothschild & Co	14	1400 -
12	875			157887 50
5/10	150	Snyder Mosely	14¾	2212 50
5/11	100	Mount Vernon	14	1400 -
	200	Horn Blount & Wenko	14	2800 -
5/14	200	Rothschild & Co	13½	2700 -
12	625			167000 -

71		ITEMS		
5/14	500	Mendlinger Snyder	14⅜	7187 50
	300	Alfred / Mayflower	14¼	4275 -
12	100			17812 50
5/24	100	Alfred / Mayflower	13¼	1325 -
5/26	1000	Dryfoos / Chart	13	13000 -
	13200			189137 50

Form V95-10
UNGER STATIONERY & PRINTING CO., INC.
47 Ann St. New York City, N.Y. 10038
Phone: 267-3933

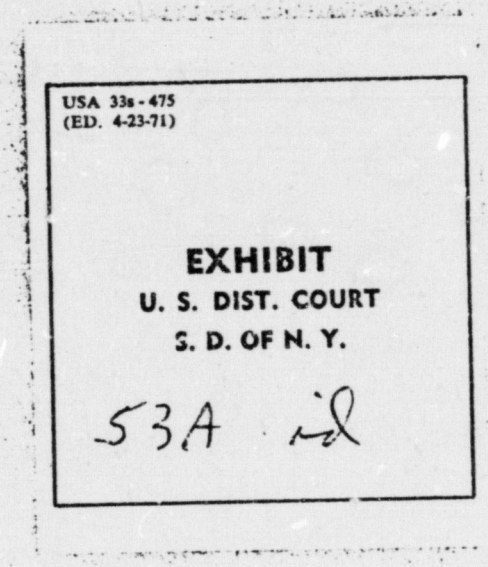
CREDIT LIMIT

DATE 1971	ITEMS	FOLIO	DEBITS	DATE 1971	ITEMS	FOLIO	CREDITS
.71							
	1475		863750				
8/10	800 Redstone 4540.00	3 7/8	31,00 -				
	2 475 87 -		1173750				
8/				8/			
16	275 B Down		454 -	20	200 Jack Stone	4 3/4	950 -
	675 3590.00						
8/	100 Shearson Hamm	3 1/2	350 -	Aug	31 DC Trading P+L		97437
31	175 175		4890				
8/				9/			
31	775 B Down	3.85	2965 63	10	100 Alexandria	2 5/8	261 25
	675 2714.38			9/30	Sons		104 63
9/							
30	675 B Down		2598 75				

A-463

DATE 19__	ITEMS	FOLIO		DR.	DATE 19__	ITEMS	FOLIO		CR.
				$1068 75					$5868 75
6/15	Lud Rhodes / Kaplan	8	1	800 —	6/17	Backe	7		2092 50
6/16	Sherman Hammid	6		1800 —	6/18	Halle & Straight	8		797 50
	" "	7	1	700 —		" "	8		1595 —
6/17	Rothschild	6½		1300 —		25 " $350.00			6316 75
6/18	Land Russell	7½		1500 —	6/21	Abelard / May 2447.50	7½		7447 50
	L M Meyer	6½		650 —		297.50			6916 25
	$975			$7818 75					
6/21	Walston	6½		1950 —					
6/22	"	6		600 —					
6/23	"	5½		550 —					
6/24	Abelard	5½		550 —					
	50 975			11468 75					
6/28	Backe	2		200 —					
	"	4½		450 —					
	M. Hurst / Grossman	5		1500 —					
	6172 975			6361 8 75					
	Trading R & L			$28 —					
6/21	B Down								
	975	5.12		4987 50	7/1	1 200 Lyndon & Morgan	4		797 50
	775 4190.00				7/14	50 Red Stone	5½	1	547 50
7/14	200 Lyndon & Morgan	5	1	1000 —		50 Abelard	5 3/4	1	572 50
7/16	200 Schwamm Hochster	5	1	1000 —		50 L / Dupont	5½	1	547 50
	1 275 775 3925.00			6987 50	7/16	50 Abelard	5½	1	547 50
7/19	100 Public Planning	5½		550 —		300			3012 50
7/23	200 Hazzfield Corp	5½		1100 —	7/19	200 Abelard			1195 —
	1 675 875 H2200			8637 50		800			4207 50
	75 1440.00				8/5	800 Redstone	3 3/4		2990 —
						1630			7197 50
				(over)					

A-464


USA 33s - 475
(ED. 4-23-71)
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
53A

Thomas Doonan
U.S. Attorney Office
1 St. Andrews Plaza
N.Y., N.Y. 10007
R866
#212-791-0019

FRANK

DEPARTMENT OF JUSTICE
U.S. ATTORNEY'S OFFICE, SDNY

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer: ICAHN + Co. INC.

Name of Security: BEL AIR FINANCIAL CORP.

Is Security Traded on NASDAQ ☐ Yes ☐ No

Data requested for the following TRADE Dates: From: 1-1-71 To: 9-30-71 Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: (No. of Shares) Long: _____ Short: _____ None ☑ (Check if No position)

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRES (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	2-1	200			2'2	✓ ICAHN + Co.			FILLMORE SEC.
02	"	400			2 3/8	✓			MERRILL LYNCH
03	"		400		2 3/4	✓			BACHE + Co.
04	2-18		200		3'4	✓	1:26 WM	.	F.I. DUPONT
05	2-19	200			3 3/4	✓	11:03 WM		MENDLINGER-SNYDER
06	"		200		4	✓	11:02 WM		GRANGER
07	2-22	300			3'2	✓	1:53		MENDLINGER-SNYDER
08	"		300		3 3/4	✓	11:04		BRUNS-NORDEMAN
09	"		100		3 3/4	✓	2:28		MERRILL LYNCH
10	2-23	200			3 3/4	✓	12:46		AXELROD

A-466

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

Wm William Miller
SIGNATURE DATE

(2)

DEPARTMENT OF JUSTICE
U. S. ATTORNEY'S OFFICE, SDNY

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

Is Security Traded on NASDAQ ☐ Yes ☐ No

Data requested for the following TRADE Dates: From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: *No. of Shares* Long: _____ Short: _____ None ☐ *Check if No position*

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO | DY | YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	2-23		100		4	✓ ICAHN	2:35		BACHE + Co
02	2-24	345			3 1/2	✓	10:00		ROBERT TANNEY
03	"		100		4	✓	11:47		MERRILL LYNCH
04	"		500		4	✓	3:23		DEAN WITTER
05	3-01	500			4	✓	1-10:23 1-11:12 3-14		MENDLINGER-SNYDER
06	"	100			3 3/4	✓	1:14		EDDEN, EARL & Co.
07	"	200			3 3/4	✓	2:00		AXELROD
08	"	200			4 1/4	✓	3:26		MENDLINGER-SNYDER
09	"		200		4 1/4	✓	10:18		GRANGER
10	"		300		4 1/4	✓	1:42		BACHE & Co

A=467

(3)

DEPARTMENT OF JUSTICE
U. S. ATTORNEY'S OFFICE, SDNY

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

Is Security Traded on NASDAQ ☐ Yes ☐ No

Data requested for the following TRADE Dates: From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO | DY | YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	3-01		200		4'2	✓ Icahn	3:22		Kelly-Andrews
02	3-02	200			5	✓	11:41		Axelrod
03	"	400			5'4	✓	2:47		Mendlinger-Snyder
04	"	300			6	✓			" "
05	"		200		5'4	✓	10:30		Granger
06	"		400		5 3/8	✓	12:51		Hoppin-Watson
07	"		100		6	✓	2:44		Paine Webber
08	"		200		6'4	✓	3:28		F. I. DuPont
09	3-03	100			6'4	✓	12:55		Toby + Kirk
10		300			6'4	✓	2:21		EDDEN, EARL + Co

ATTENTION: Intentional misstatements or omissions of

WDNY

A-468

DEPARTMENT OF JUSTICE
U. S. ATTORNEY'S OFFICE, SDNY

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

Is Security Traded on NASDAQ ☐ Yes ☐ No

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares
Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO / DY / YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	3-04		100		6'2	✓ Icahn	1:47		Satnick-Japha
02	3-05	500			6'4	✓	3:21		Axelrod
03	"		500		6'2	✓	10:43		Steiner Rouse
04	"		200		6'2	✓	3:22		Bache & Co.
05	3-08		100		6'2	✓	12:32		Granger + Co.
06	3-11	300			5 3/4	✓	3:19		Mendlinger-Snyder
07	"		100		5 3/4	✓	11:02		Hardy & Co.
08	"		100		6	✓	11:28		Granger + Co.
09	"		100		6'4	✓	11:53		Steiner Rouse
10	3-18	300			7'4	✓	12:42		Mendlinger-Snyder

A-469

(5)

DEPARTMENT OF JUSTICE
U. S. ATTORNEY'S OFFICE, SDNY

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

Is Security Traded on NASDAQ ☐ Yes ☐ No

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: *No. of Shares*
Long: _____ Short: _____ None ☐ *Check if No position*

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	3-18	200			7 5/8	✓ Icahn	3:14		Mendlinger - Snyder
02	"	300			7 3/4	✓	3:22		" "
03	"		400		7 1/2	✓	3-11:26 1-12:59		Provident
04	"		100		8	✓	1:29		"
05	"		50		8	✓	1:35		Merrill Lynch
06	"		250		8	✓	3:21		Scheinman - Hochst
07	3-19	1000			9 1/4	✓	3:15		Mendlinger - Snyder
08	"	100			8 3/4	✓	2:47		" "
09	"	300			7 3/4	✓	10:06		" "
10	"	400			8 1/2	✓	12:06		" "

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C.

WM

A-470

(6)

DEPARTMENT OF JUSTICE
U. S. ATTORNEY'S OFFICE, SDNY

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

Is Security Traded on NASDAQ ☐ Yes ☐ No

Data requested for the following TRADE Dates: From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares — Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	3-19		100		9	✓ Icahn	12:53		Loeb Rhoades
02	"		50		9'2	✓	2:14		" "
03	"		200		9'2	✓	3:19		Shearson Hammill
04	"		600		9'2	✓	3:03		F.M. Mayer
05	"		200		9'2	✓	2:43		Robins Eitman Lofe
06	"		200		9	✓	11:27		Provident
07	"		200		8'2	✓	11:24		"
08	"		300		8	✓	10:03		Scheinman-Hochstin
09	3-22	600			10'8	✓	10:13		Mendlinger-Swyper
10		500			10'4	✓	10:14		" "

1,700

A-471

(7)

DEPARTMENT OF JUSTICE
U. S. ATTORNEY'S OFFICE, SDNY

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

Is Security Traded on NASDAQ ☐ Yes ☐ No

Date requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: *No. of Shares*
Long: _____ Short: _____ None ☐ *Check if No position*

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	3-22	300			10'4	✓ I cahd	1:48		E.W. Smith
02	"	100			10'4	✓	3:10		Satnick-Japha
03	"	600			10 3/8	✓	1:32		Mendlinger-Snyder
04	"		200		10	✓	10:06		Dryfoos
05	"		400		10	✓	10:13		F.I. DuPont
06	"		300		10	✓	10:15		G.M. Mengort
07	"		50		10'2	✓	10:33		F.I. DuPont
08	"		500		10'2	✓	11:14		Harris Upham
09	"		600		11	✓	5-1:28 1-2:30		Merrill Lynch
10	3-23	200			10'2	✓	12:15		Filer Bullard

WM

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C

A-472

A-473

(8)

DEPARTMENT OF JUSTICE
U. S. ATTORNEY'S OFFICE, SDNY

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

Is Security Traded on NASDAQ ☐ Yes ☐ No

Data requested for the following TRADE Dates: From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	3-23	100			11	✓ Icahn	10:34		Mendlinger-Snyder
02	"		100		11 1/4	✓	11:22		Kelly Andrews
03	"		200		11 3/8	✓	1:09		" "
04	3-24	200			11	✓	3:24		Mendlinger-Snyder
05	"	300			10 3/4	✓	3:30		"
06	"		200		11 1/4	✓	10:50		Granger & Co.
07	"		300		11	✓	3:28		F. I. DuPont
08	3-25	200			10 1/4	✓	10:11		Scheinman Hochstin
09	"	100			10 1/4	✓	10:18		L. F. Rothschild
10	"	125			9 3/4	✓	[illegible]		CBWI-Hayden St

ATTESTATION

A-474

(9)

DEPARTMENT OF JUSTICE
U. S. ATTORNEY'S OFFICE, SDNY
SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

Is Security Traded on NASDAQ ☐ Yes ☐ No

Data requested for the following TRADE Dates: From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: (No. of Shares) Long: _____ Short: _____ None ☐ (Check if No position)

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO | DY | YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	3-25		200		11	✓ ICAHN	1:06		V. J. Fusco + Co.
02	"		150		11	✓	2:40		Merrill Lynch
03	3-26	250			$10\frac{3}{4}$	✓	11:59		Scheinman Hochstin
04	3-29		300		$11\frac{3}{4}$	✓	2-10:43 — 1-2:52		Merrill Lynch
05	3-30	100			$10\frac{3}{4}$	✓	12:21		" "
06	3-31	200			$10'2$	✓	3:00		Bache + Co.
07	4-01	400			$11'4$	✓	12:30		Mendlinger-Snyder
08	"	200			$10\frac{3}{4}$	✓	2:37		Loeb Rhoades
09	"	200			$10'2$	✓	3:23		Filer Bullard
10	"		700		$11'2$	✓	3-11:12 — 4-12:06		Merrill Lynch

A-475

(10)

DEPARTMENT OF JUSTICE
U. S. ATTORNEY'S OFFICE, SDNY

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

Is Security Traded on NASDAQ ☐ Yes ☐ No

Data requested for the following TRADE Dates: From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Share Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	4-02	300			11	✓ ICAHN	2:19		SCHNMAN HOCHSTI
02	4-06		200		$10\frac{3}{4}$	✓	1:36		KELLY ANDREWS
03	4-13	100			10	✓	2:00		J. W. KAUFMAN
04	4-14	400			11	✓	3:13		MENDLINGER-SNYDER
05	"		600		$10'2$	✓	2-11:A 4-11:37		HALLE STEIGLITZ
06	"		200		$11'4$	✓	12:14		" "
07	"		200		$11\frac{3}{4}$	✓	3:10		" "
08	4-15	200			$11'2$	✓	10:05		GRANGER + Co.
09	"	300			12	✓	12:45		BACHE
10	"	500			$12'2$	✓	1:16		CBWL

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C.

WM

SIGNATURE DATE

A-476

(11)

DEPARTMENT OF JUSTICE
U. S. ATTORNEY'S OFFICE, SDNY
SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

Is Security Traded on NASDAQ ☐ Yes ☐ No

Data requested for the following TRADE Dates: From: _____ To: _____ Inclusive

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

FIRM'S POSITION AT BEGINNING OF PERIOD: (No. of Shares) Long: _____ Short: _____ None ☐ (Check if No position)

SEQ NO.	1 TRADE DATE (MO / DY / YR)	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	4-15		200		12	✓ Icahn	12:02		Kelly Andrews
02	"		300		12 1/2	✓	3:27		Helle Steiglitz
03	"		400		12 3/4	✓	3:29		" "
04	4-16	300			12 3/4	✓	2:47		Granger + Co.
05	"	100			12 3/4	✓	3:24		Axelrod
06	"		250		13 1/2	✓	11:28		"
07	4-19	100			12 1/2	✓	3:13		Scheinman Hochstl
08	4-20	100			12	✓	10:25		Provident
09	"	100			12	✓	2:31		Merrill Lynch
10	"	100			12 1/4	✓	12:42		L.F. Rothschild

ATTENTION—Intentional misstatements or omissions of

A-477

(12)

DEPARTMENT OF JUSTICE
U. S. ATTORNEY'S OFFICE, SDNY

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

Is Security Traded on NASDAQ ☐ Yes ☐ No

Data requested for the following TRADE Dates: From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE mo | dy | yr	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	4-21	100			12'4	✓ ICAHN	12:07		Merrill Lynch
02	"		300		12'2	✓	10:12		Smith Jackson
03	"		100		12 3/4	✓	11:18		Shearson Hammill
04	"		400		12'2	✓	12:20		Kelly Andrews
05	4-22	400			12 7/8	✓	3-2:42 1-3:27		" "
06	"	100			12 5/8	✓	11:43		Renneisen
07	"	500			13	✓			Mendlinger-Snyder
08	"	500			12 7/8	✓	1:32		" "
09	"		1500		13'8	✓	1:27		Halle Steiglitz
10	4-23	1100			12	✓			DeHaven Townsend

TION—Intentional misstatements or omissions of

WM

(13)

DEPARTMENT OF JUSTICE
U. S. ATTORNEY'S OFFICE, SDNY

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructi... reverse side)

A-478

Name of Broker-Dealer

Name of Security

Is Security Traded on NASDAQ ☐ Yes ☐ No

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares
Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	4-23	100			12'2	✓ ICAHN	10:23		Weis Voison
02	"	100			12'2	✓	2:03		Hertzfeld Stern
03	"		500		12'4	✓	2:58		Mendlinger-Sn
04	"		500		12'4	✓	2:58		" Kelly Andrews
05	4-26	100			12'2	✓	10:58		Hal nfield
06	"	300			12'2	✓	12:37		Scheinman Hochstin
07	"		200		13'2	✓	10:29		Lincoln Planning
08	"		36		13'2	✓	1:14		Dean Witter
09	4-29		100		12'2	✓	12:42		Halle Steiglitz
10	"		300		13	✓	3:22		Kelly Andrews

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C.

OFFICIAL IN CHARGE OF FIRM'S RECORDS

SIGNATURE

DATE

A-479.

(14)

DEPARTMENT OF JUSTICE
U. S. ATTORNEY'S OFFICE, SDNY
SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

Is Security Traded on NASDAQ ☐ Yes ☐ No

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: (No. of Shares)
Long: _____ Short: _____ None ☐ (Check if No position)

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO | DY | YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	4-30	100			13 1/2	✓ ICAHN	10:50		BACHE
02	"	100			13 1/2	✓	11:07		REDSTONE SEC.
03	"	100			15	✓	3:22		GRANGER
04	"	200			15	✓	3:05		MENDELSOHN-SNYDER
05	"		50		14	✓	10:02		JOSEPHTHAL
06	"		200		14	✓	10:07		AXELROD
07	"		100		14 1/2	✓	11:22		HALLE STREIGLITZ
08	"		200		15 3/4	✓	2:14		" "
09	5-03	100			15	✓	10:10		HELLER + MEYER
10		100			15	✓	10:29		FILOR BALLARD

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C.78ff(a))

OFFICIAL IN CHARGE OF FIRM'S RECORDS (PRINT OR TYPE)

WM

SIGNATURE DATE

A-480

(15)

DEPARTMENT OF JUSTICE
U. S. ATTORNEY'S OFFICE, SDNY

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

Is Security Traded on NASDAQ ☐ Yes ☐ No

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: *No. of Shares*
Long: _____ Short: _____ None ☐ *Check if No position*

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO | DY | YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	5-03	100			15	✓ Icahn	10:39		Dean Witter
02	5-04	100			14	✓	1:17		Merit Inv.
03	"	~~100~~	100		14'4	✓	1:27		Mendlinger-Snyder
04	5-05	100			14	✓	10:17		Bache
05	5-06	100			13 3/4	✓	10:19		Lief Werle
06	"	200			13 1/2	✓	10:22		" "
07	"	100			13 1/2	✓	10:27		Harris Upham
08	"	100			13 1/2	✓	12:50		Merrill Lynch
09	"		100		14	✓	2:06		Axelrod
10	5-07	100			13'4	✓	10:23		Granger

ATTENTION—Intentional misstatements or omissions of

(16)

A-481

DEPARTMENT OF JUSTICE
U. S. ATTORNEY'S OFFICE, SDNY

SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

Is Security Traded on NASDAQ ☐ Yes ☐ No

Data requested for the following TRADE Dates:
From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: No. of Shares
Long: _____ Short: _____ None ☐ Check if No position

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) (PHONE)

SEQ NO.	1 TRADE DATE MO DY YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	5-07	200			14	✓ ICAHN	10:30		MENDLINGER-SNYDER
02	"		1000		14	✓	11:13		BACHE & Co.
03	"		100		14'2	✓	3:11		" "
04	5-10	700			14	✓	2:16		HORNBLOWER
05	"		500		14'2	✓	2:18		BACHE & Co.
06	5-11	100			14	✓	2:11		GRANGER
07	5-13	100			13'2	✓	12:59		HORNBLOWER
08	5-17	200			13	✓	10:20		MOROCCO & Co.
09	"	100			13	✓	10:37		L.F. ROTHSCHILD
10	5-20		500		12 3/4	✓	3:05		MENDLINGER SNYDER

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C.

OFFICIAL IN CHARGE OF FIRM'S RECORDS

WM

SIGNATURE DATE

(17)

A-482

DEPARTMENT OF JUSTICE
U. S. ATTORNEY'S OFFICE, SDNY
SECURITY TRANSACTIONS QUESTIONNAIRE

(Please complete this form in accordance with the instructions on reverse side)

Name of Broker-Dealer

Name of Security

Is Security Traded on NASDAQ ☐ Yes ☐ No

Data requested for the following TRADE Dates: From: _____ To: _____ Inclusive

FIRM'S POSITION AT BEGINNING OF PERIOD: (No. of Shares) Long: _____ Short: _____ None ☐ (Check if No position)

Name and telephone number of firm's employee to contact in regard to this Questionnaire: (NAME) Wm Miller (PHONE) 425-5850

SEQ NO.	1 TRADE DATE MO | DY | YR	2 NO. OF SHARES Bought (B)	Sold (L)	Sold Short (S)	3 PRICE	4 PURCHASED OR SOLD FOR ACCOUNT OF: FIRM, BROKER-DEALER or CUSTOMER (If customer, enter LAST NAME, FIRST, MIDDLE INITIAL)	5 ADDRESS (If customer)	6 REG. REP. No.	7 BROKER-DEALER OR CUSTOMER ON OPPOSITE SIDE OF TRADE (Name or Clearing House Number.)
01	5-24		34		14 1/2	✓ ICAHN	2:34		DEAN WITTER
02	5-25-26	100			13	✓	1:51		WALSTON
03	5-27		300		11 1/2	✓	1:20		MENDLINGER SNYDER
04									
05									
06									
07									
08									
09									
10									

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C.

Robert Jennings _____ _____ 5-31-74

USA 338-423 A-483
(ED. 423971)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

75C ~~id~~

PORTFOLIO MANAGER ORDERS — BUY

4-3-71
(date)

Author-ized by	Port-folio	Time order received	Order Rec'd by	Security	No. of Shares	Price Limit	Transaction Reported Time	Transaction Reported By	Comment
Ted	B	7:23	C	SUA SUAVE	30m	29⅛	-	✓	Centr Fit 20,000 28⅝ SN 1000 28⅛ Kroger (SFT) 2000 28¼ LVS 15c 20028¼
joem	A	7:23	C	EAL	5m 5m	24⅜ 23⅝		✓	900 24 CPWL LVS 41 1/2 5M 23⅝ SFD
11	A	7:26	C	BNF	5m	12⅜		✓	5M 12⅝ SFD
JRR	Myr	open	C	RLI Corp	9 of 30m	Port 5m 34N		✓	4,000 30¼N Diff 3,000 30N
JM	Income IFDB	8:20	C	Fidelity Loan LLC	45m	22 ch		✓	5000 21⅞ Robin Steele LVS 29.60 CXLED EAL
joem	A	9:44	C	BOL	1m 2m	115⅜ 116		✓	Fred Stevenson Johnson 2m-BOL-30CL 2m 116
aki	T	9:45	C	Belair Finance	20m	15N		✓	20m 15N Ben Lang Fidl 20,000 15N Fidl Dayton
C	C	open	C	CLN	9 of 5m 3600	31		✓	700 31 Kroger CSI LVS 2900

USA 33s-475
(ED. 4-23-71)

GOVERNMENT'S

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

112 id

SOLD

6700 Belair Financial Corp 11 Nat

SHORT GTC

ACCOUNT OF | SOURCE

+	*	◇

T/A

Order Executed

Bert Zaret

MENDLINGER, SNYDER, INC. IS A PRIMARY MARKET MAKER IN THIS SECURITY

MENDLINGER, SNYDER, INC. AND/OR ITS PRINCIPALS HAVE A SUBSTANTIAL INTEREST IN THIS SECURITY

AMOUNT	73,700	-
INT.		
COMM.		
FED. TAX		
STATE TAX	251	25
NET	73,448	75

FORM 105 MENDLINGER, SNYDER, INC. T/A

P & S

A-486

TRADE OF MENDLINGER, SNYDER INC.
50 BROADWAY
NEW YORK, N. Y.
(212) 944-3630

MENDLINGER, SNYDER, INC. AND/OR ITS PRINCIPALS HAVE A SUBSTANTIAL INTEREST IN THIS SECURITY

DUPLICATE CONFIRMATION

TRADE DATE 5/18/71

SETTLEMENT DATE 5/25/71

QUANTITY	DESCRIPTION	PRICE	AMOUNT	INTEREST	COMM.	TAX	NET AMOUNT
6,700	BELAIR FINANCIAL CORP.	$11 NET	73,700.00				$73,700.00

(ORDER UNSOLICITED)

TO

BERT ZARET
122 Genessee Boulevard
Atlantic Beach, New York

2

MENDLINGER, SNYDER, INC. IS A PRIMARY MARKET MAKER IN THIS SECURITY

FROM AMERICAN BANK & TRUST COMPANY
70 WALL STREET, NEW YORK, N. Y. 10005
SECURITIES CLEARANCE DIVISION — WH 3-4500

INSTRUCTIONS

These securities are left with you on the condition that title remains in us until payment to us of the amount shown hereon has been completed. Payment is not completed if made by check, whether certified at our request or by us, or without request, or uncertified, until the amount thereof is received by us from the drawee. Checks payable only to American Bank & Trust Company. THE FOREGOING IS NOT BINDING UPON THE CORPORATION OR ITS TRANSFER AGENT WITH RESPECT TO ANY TRANSFER THAT HAS BEEN EFFECTED OF THESE SECURITIES.

AMERICAN BANK & TRUST COMPANY

USA 33s - 475
(ED. 1-23-71)

~~DEFENDANT~~
GOVT

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

113 id

A-488

TRADE OF MENDLINGER, SNYDER INC.
50 BROADWAY
NEW YORK, N. Y.
(212) 944-3630

MENDLINGER, SNYDER, INC. AND/OR ITS PRINCIPALS HAVE A SUBSTANTIAL INTEREST IN THIS SECURITY

CASH TRADE

DUPLIC.

TRADE DATE

SETTLEMENT DATE ~~5/25/71~~ 5/25/71

QUANTITY	DESCRIPTION	PRICE	AMOUNT	INTEREST	COMM.	TAX	NET AMOUNT
6,700	BELAIR FINANCIAL CORP.	$14 NET	93,800.00			251.25	$93,548.75

(ORDER UNSOLICITED)

INSTRUCTIONS 2

FROM

BERT ZARET
122 Genessee Boulevard
AtlanticaBeach, New York

MENDLINGER, SNYDER, INC.
IS A PRIMARY MARKET MAKER
IN THIS SECURITY

AMERICAN BANK & TRUST COMPANY
70 WALL STREET, NEW YORK, N. Y. 10005
SECURITIES CLEARANCE DIVISION — WH 3-4500

BY _____
AUTHORIZED SIGNATURE

BOT

6700 BECAIR FINANCIAL CORP 14 net.

ACCOUNT OF

GTC

SOURCE

+	*	◇

1/A

Order Unsolicited

BERT ZARET

AMOUNT	3500	—
INT.		
COMM.		
TAX	251	25
NET	93 48	75

MERRILLINGER, SNYDER, INC. AND ITS PRINCIPALS HAVE A POSITION IN THIS SECURITY

MERRILLINGER, SNYDER, INC.

FORM 112

P & S

DEFENDANT
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

President of this iced that e largest ently ac rfolk.

e Presi- the bro- erty was : of $2,-

vere represented by Larry Wynhoff, ... of Burke, Haber and Berick of Cleveland, Ohio.

The 350 unit property is located in a 14-story building. It includes such amenities as a 15,000 square foot exhibition hall, t restaurants, cocktail lounge, approximately 14 banquet rooms and approximately 36,000 square feet of office space.

The Golden Triangle is located across the street from the new convention hall in Norfolk, "Scope."

* * *

Belair Financial Corporation has agreed to purchase a 3.7 acre site for a family oriented 104 unit apartment project near the University of California in Riverside, Calif., according to Garry A. Aminoff, president of Belair.

Belair Properties, a wholly owned subsidiary of Belair Financial will purchase the complex for $1,625,000 upon completion of construction by Bernard Dubnow, builder. It is scheduled to be occupied this fall.

Belair Financial provides administrative and financial management services to medical practitioners.

Graphics Arts Center Sold

The Graphic Arts Center, a 12-story and basement fireproof commerical building at 200 Varick Street has been sold by the General Electric Pension Trust. The building on a plot 200 x 265, contains 432,000 square feet and is the home of Empire Color Lithographers, American Artists Group and many other fine graphic painters in New York City. John A. Werwaiss, Assistant Vice President of Wm. A. White & Sons, was broker in the transaction.

The building was constructed in 1926 on land owned by the Trinity Church. It is presently subject to a leasehold mortgage in the amount of $1,200,000, held by the Metropolitan Life Insurance Co. and was sold for $750,000 cash. The purchaser, Realopco, Inc., was represented by Max Chertok.

* * *

The Advance Realty Co., of Jackson Heights, N.Y. as brokers sold the Downtown Danbury Mall, Danbury, Conn. to a client of their office. The property is a fully enclosed climate controlled shopping mall. Built on 10 acres, in the downtown area of Danbury, it consists of 26 tenants. The Mall has a total of approximately 160,000 square feet with parking in excess of 800 cars. The gross rental is approximately $430,000 and the property was sold for all cash, subject to mortgages of $2,150,000.

The sale involved merging title to the ground lease, which was held by the Pennsylvania Real Estate Investment Trust of Philadelpiha, Pa., with the leasehold on the improvements held by the sellers. Title was insured by Pioneer Title Insurance Company.

Joint Venture Formed

Presidential Realty Corporation (AMEX) and Connecticut General Insurance Corporation (OTC) announced the formation of a joint venture to develop a 6,000-family planned community on 700 acres near Atlanta, Georgia.

Under the terms of the joint venture, Connecticut General will provide 4.2 million dollars in initial financing through a real estate subsidiary. These funds will be used for land acquisition, major land improvements, and equity for the first phase of the approximately 400 townhouse and garden apartment units.

Presidential Realty, a 60-year old real estate and development firm based in White Plains, New York, will develop and supervise construction of the apartments and handle property management and rental activities. Construction of the first phase is scheduled to begin in mid-1972 and occupancy of the first apartment units is expected in 1973.

* * *

Two properties located at 385 East 18th Street, and 811 Cortelyou Road, corner East 8th Street, Brooklyn, N.Y. were sold by Murray Adler Realty Co., Inc., broker.

These two 6-story apartment buildings were built in 1940 and contain 156 apartments together. The properties are assessed at $585,000 each, and was sold subject to mortgages in the amount of $900,0000.

The sellers, Dr. Morris Eigen and Irene Eigen, were represented by Solomon Wax, Esq., and the purchasers, Apartment Development Corp., an investing client of the broker's office were represented by Louis Freiburg, Esq.

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SAN RAFAEL, CALIF.
INDEPENDENT JOURNAL
— D. 40,345 —
SAN FRANCISCO METROPOLITAN AREA

MAY 25 1971

Belair Finance Reports Income

BEVERLY HILLS — (BW) — Belair Financial Corp. reported net income, after taxes, of $44,173, or 3 cents per share, for the six months ended March 31, has been announced.

Revenues for the period totaled $168,060.

BELAIR FINANCIAL, 6 mos.:
Net income.....$ 44,173 N.R.
A share ..... 3 cents N.R.
Comparisons were not reported.

San Diego Union
Circ.: 148,000 Simon
Date: 5-27-71

CONSUMERS WATER, 3 mos.:
Net income .....$ 136,559 $ 119,360
A share.....

CALIFORNIA BUSINESS
BEVERLY HILLS, CALIF.
W. 30,000

MAY 31 1971

BELAIR FINANCIAL CORP., Beverly Hills, Calif., reported a net of $44,173 or 3 cents a share for the six months ended March 31, on revenues of $168,060. Comparative figures are not available as the company did not begin operation till mid-1970.

Los Angeles Herald-Examiner

BUSINESS TODAY

Belair Financial

Belair Financial Corp., Beverly Hills, has acquired 13 medical business management corporations for an undisclosed amount of common stock. Seven of the firms are in Burbank: Campion X-Ray Laboratories, Inc., J.H. Management Services Corp., W.H. Management Services Corp., Ramsden Management Corp., HHRT Management Services Corp., Smith Management Services Corp., and N.T. Management Services. The other six are Brody Management Services Corp., Inglewood; Grimaud Management Corp., North Hollywood; Kearl Management Services Corp., La Canada; Gabriel Lombard Medical, Inc., Montebello; B.H.F. Management Services Corp., Encino, and Solak Management Services Corp., San Dimas.

USA 33s - 475
(ED. 4-23-71)

DEFENDANT
Mandelzys
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
A 2 id

DEFENDANT
Mendlezer
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
A3 id

rporation and Investment News

rm Products Int'l, Inc.

Jarm Products International, Inc., 24-
0th Ave., Long Island City, N.Y.11101,
ndependent manufacturer of security
rm systems, has announced plans to
ve its Judy-Lynn Metalcraft division
m Bethpage, N.Y., to a new factory in
rth Babylon, New York.

The new building is to be completed by
nuary 15, and its 10,000 square feet will
ore than double the production capacity
the company's fabrication unit. With
e introduction of many new items to its
oduct line, A.P.I. will utilize this new
d modern plant to the maximum. A.P.I.
ill continue to operate from its
mbination factory showroom
adquarters in Long Island City

heuser-Busch, Inc.

Beer sales in 1970 by Anheuser-Busch,
.., 721 Pestalozzi St., St. Louis,
63118, set an industry record, with
ut 22,200,000 barrels sold during the
ar, it was announced by August A.
sch, Jr., president and chairman of the
ard.

On November 25, the company observed
production of its 20-millionth barrel,
ich made it the first company to
hieve this record. The previous record
as set in 1969 when 18 712,432 barrels of
the ser Busch beer were sold.

etz Laboratories, Inc.

hn Maguire resident of Betz
atories Inc Trevose Pa 19047.
the stablishment of Betz
d

Environmental Engineers, and a member of the American Society of Civil Engineers, American Water Works Association, Water Pollution Control Federation, National Society of Professional Engineers, Society of American Military Engineers, and Sigma Xi fraternity.

Belair Financial Corp.

The Belair Financial Corporation, 9465 Wilshire Blvd., Beverly Hills, Calif., has been formed to provide financial services to physicians and dentists.

One service offered will enable physicians, dentists and medical groups to start separate corporations to operate the non-medical portions of their practices. This will enable the average medical practitioner to save thousands of dollars on his after-tax net earnings, said Gary A.Aminoff, president.

The company also will offer plans for equipment leasing and financing; business, personal and mortgage loans, insurance, real estate syndication, securities portfolio analysis and management, computer bookkeeping and billing systems.

Belair Financial, was formed following the acquisition of Transition Systems, Inc., New York. Physicians,dentists, and veterinarians who form their own business management corporations receive stock in the Belair Financial Corporation providing them with the added benefit of possible equity ap Mr aminoff said.

Corp.

that Bio-dopa may be significant in reducing the side effects found in nearly all patients with Parkinson's disease under present L-dopa therapy.

Recent medical studies have shown that 6-hydroxy dopa, which can be formed by molecular rearrangement of L-dopa during chemical synthesis, has a chemical sympathectomy effect that produces severe hypotension in certain Parkinson's disease patients. The corporation's natural product does not contain any of the 6-hydroxy form.

Bio-dopa currently sells for $240 a kilo. Mr. Riccardi said he anticipated that the company would be producing about 1,200 kilos per month of it within the next year. Besides the greater freedom from some side effects that Bio-dopa may have, he said that he believed his company's natural product could be produced more economically than the manufacture of L-dopa using the synthetic method. Therefore, he said, his company is in a position to compete favorably with major pharmaceutical manufacturers in the field, or any that may plan to enter it.

Mr. Riccardi said he believed that his company is the only U.S. manufacturer producing the drug from natural sources, and possibly is the only manufacturer of the drug in any large quantity in this country at the present time. Several major pharmaceutical manufacturers are packaging the L-dopa drug from synthetic f ign L-dopa that has to be mported.

r Corp.

m. Delivery
g Sud, a West
s due in May.

value of the contract amounts to $5 million over a two-year period, being negotiable after the first year. Redman is one of the largest manufacturers of mobile homes.

The fabricated metal will be in the form of embossed, enamelled aluminum siding, to be supplied by Elixir in a variety of exterior designs and colors.

"The contract calls for enough fabricated MT metal for 12,000 mobile homes and recreational vehicles per year. It is Elixir's first national contract, being the tangible result of our latest expansion to locations in seven states where the major mobile home builders are located" Jerry Rapport, president of Elixir, commented.

For fiscal 1970, Elixir reported sales of $36 million and net income of $1.9 million or earnings of 81 cents per share.

Context Industries, Inc.



A-492

DEFENDANT
Madigan
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
A # id

NEW YORK TIMES - TUESDAY, MAY 11, 1971

Belair Properties Corporation

has completed arrangements for the financing of "Villa [illegible]ngria" a 100 unit apartment complex in San Diego, California with Mabie & Mintz, Inc., general contractors Belair Properties Corporation is a subsidiary of

Belair Financial Corporation

9465 Wilshire Blvd.

Beverly Hills, Calif., 90212

May 11, 1971

Belair Properties Corporation

a subsidiary of

Belair Financial Corporation

has agreed to purchase "Family World" a 104-unit apartment project in Riverside, Calif.

May 11, 1971

Belair Financial Corporation

has agreed in principle to acquire H. H. T. Management Corporation.

May 11, 1971

(ED 3-71)
DEFENDANT
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
A5 id

Belair Financial Corp.

The Belair Financial Corporation, 9465 Wilshire Blvd., Beverly Hills, Calif. 90212, has acquired 13 California medical business management corporations in exchange for shares of its common stock, Gary A. Aminoff, president, announced.

Belair provides financial management and other services to physicians, dentists and medical groups.

Under the agreement, the acquired corporations provide clerical, bookkeeping and administrative financial management services for individual physicians and groups of medical practitioners in suburban areas of Los Angeles.

The acquisitions include the Brody Management Services Corporation, Inglewood; Campion X-Ray Laboratories, Inc., Burbank; Grimaud Management Corporation, North Hollywood; J. H. Management Services Corporation, Burbank; W. H. Management Services Corporation, Burbank; Kearl Management Services Corporation, La Canada; Gabriel Lombard Medical Inc., Montebello; Ramsdell Management Corporation, Burbank; B.H.F. Management Services Corporation, Encino; HHRT Management Services Corporation, Burbank; Smith Management Services Corporation, Burbank; Solak Management Services Corporation, San Dimas; N. T. Management Services Corporation, Burbank.

CONFIDENTIAL

PERSONAL

USA 33s-475
(ED. 4-23-71)

March 10, 1971

DEFENDANT
Mendinger
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
"G"

Mr. Gary A. Aminoff
President
Belair Financial Corporation
9465 Wilshire Boulevard
Suite 610
Beverly Hills, California 90212

Dear Gary:

As a follow-up to our past discussions, kindly make sure that from now on no projections as to potential profits of Belair Financial Corp. are given by you to any member of the company whatsoever other than myself, and unfortunately, I do mean anyone. As you know, this is not meant to be derogatory in any way but is strictly for the protection of the company.

To give you a fast idea of how numbers can hurt you when not used properly, if you recall the meeting with the advisory board where Art Maslansky quoted your figure of 10¢ per share for the quarter ending March 31, 1971, let me review calmly what this means. A true 10¢ in earnings means 20¢ net before tax. Our present capitalization is approximately 1.6 million shares. This would mean a pretax profit for this present quarter alone of somewhere in the neighborhood of $320,000 or a figure substantially above the entire gross that we are presently receiving from all the doctors added together in our program. Even taking into consideration our first real estate deal, it's still nonsense. I am experienced enough to know that even if you would give me an earnings figure and it goes into one ear and before it comes out the other, I would know whether you made an error, which we are all prone to do. Obviously your figures were off. In the future we will work together on any earnings projections and keep the figures to ourself.

Kindly make sure all our books and records are right up to the minute as it is important for us to have a certified statement for the period ending March 31, 1971 and I would like to have it completed by April 30th. To do this, all our records must be up to the minute so that the certifications can begin immediately after the quarter ends.

Also, an additional reminder to order more stock certificates for Belair Financial Corp. There is far and away more stock going to come into transfer shortly than we have certificates, and want to avoid a serious log jam at the Bank of America, so kindly rush this item immediately.

CONFIDENTIAL

Kindly give some serious thought to what you think the profit for the quarter ending March 31, 1971 will really be and give me a call in a few days to give me the figure. This figure will not be used to discuss with anyone but simply for some plans I have. I will discuss this with you.

Since there are many matters in this letter that are quite personal, I would appreciate your reading it, digesting the contents, and immediately destroying same as I would not like to have anyone read the first part and misinterpret same.

Very truly yours,

Stanley Snyder
Vice President

SS:ck

A-497

MENDLINGER, SNYDER, INC.
50 BROADWAY, NEW YORK, N. Y. 10004 • (212) 944-3630

August 18, 1970

USA 33s - 475
(ED. 4-23-71)

DEFENDANT
Mendlinger
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

Belair Financial Corporation
96-01 Wilshire Boulevard
Beverly Hills, California 90210

Attention: Mr. Gary A. Aminoff
President

Gentlemen:

In consideration for its acting as financial consultant to Belair Financial Corporation, Mendlinger, Snyder, Inc. is to receive 184,500 five (5) year warrants to purchase 184,500 shares of common stock of Belair Financial Corporation at $1.20 per share, nonexercisable and nontransferable for the first 13 months after issuance. After the expiration of 18 months after issuance of the warrants, Mendlinger, Snyder, Inc. can demand Belair Financial Corporation to register at the Company's expense the 184,500 warrants and/or the common shares underlying such warrants with the Securities and Exchange Commission, such warrants to contain anti-dilution provisions.

Very truly yours,

MENDLINGER, SNYDER, INC.

By Stanley Snyder
Stanley Snyder
Vice President

ACCEPTED AND AGREED TO
AS OF THE DATE AND YEAR
FIRST ABOVE WRITTEN:

BELAIR FINANCIAL CORPORATION

By
Gary A. Aminoff, President

A-498

USA 338 - 475
(ED. 4-23-71)

DEFENDANT
Mendlinger
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
"P"
142

SELL

SHORT

ACCOUNT OF | GTC | SOURCE

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FEB 16 1971 | T/A | FEB 17 1971

ENTERED | MENDLINGER, SNYDER, INC. | EXECUTED

FORM 113

SALESMAN

BUY

ACCOUNT OF | GTC | SOURCE

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T/A | Taylor

ENTERED | MENDLINGER, SNYDER, INC. | EXECUTED

FORM 112

SALESMAN

USA 33s - 475
(ED. 4-23-71)

DEFENDANT
Mendlinger
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
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SELL

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FORM 113

MENDLINGER, SNYDER, INC.

EXECUTED

SALESMAN

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GTC

ACCOUNT OF

SOURCE

+	*	◇

ENTERED

FORM 112

MENDLINGER, SNYDER, INC.

EXECUTED

SALESMAN

USA 335-473
(ED. 4-23-71)

DEFENDANT

Mendlinger

EXHIBIT

U. S. DIST. COURT

S. D. OF N. Y.

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SELL

SHORT

GTC

ACCOUNT OF

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T/A

ENTERED

FORM 111

MENDLINGER, ENYEDI, INC.

EXECUTED

SALESMAN

A-501

BUY

200 Belair Finance Corp 4 3/4 net

GTC

ACCOUNT OF | SOURCE

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T/A

Louis Binner

ENTERED

FORM 112

MENDLINGER, SNYDER, INC.

EXECUTED

SALESMAN

SELL

100 BELAIR FINANCIAL CORP 4 1/4

SHORT

GTC

ACCOUNT OF | SOURCE

+	*	◇

Louis Binner

order unsolicited

(on 3)

ENTERED

FORM 113

MENDLINGER, SNYDER, INC.

EXECUTED

SALESMAN

USA 33s - 475
(ED. 4-23-71)

A-502

DEFENDANT
Mendlinger
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

S id
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BUY

100 Belair Diamond Pp 4 1/8 net

ACCOUNT OF

GTC

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T/A

Multex Sug.

MAR 2 11 24 AM '71

FORM 112 ENTERED

MENDLINGER, SNYDER, INC.

EXECUTED

SALESMAN

SELL

SHORT

100 Duplicate Items

GTC

SOURCE

ACCOUNT OF

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T/A

FEB 16 10 33 AM '71

Multex

FEB 16 10 33 AM '71

FORM 113 ENTERED

MENDLINGER, SNYDER, INC.

EXECUTED

SALESMAN

USA 338 - 475
(ED. 4-23-71)

DEFENDANT
Mendlinger
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

BUY

300 Polar Diamond Corp

ACCOUNT OF

GTC

SOURCE

+	*	◊

/A

David Schwartz

ENTERED

FORM 112

MENDLINGER, SNYDER, INC.

EXECUTED

SALESMAN

Telephone 213 · 273 5060

9465 Wilshire Boulevard
Suite 610
Beverly Hills, California 90212

USA 33s - 475
(ED. 4-23-71)

Letter of 3/26/71
from Def't Kobrin

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

BELAIR FINANCIAL COR

March 26, 1971

TO THE SHAREHOLDERS OF BELAIR FINANCIAL CORPORATION:

Many material changes have occurred since many of you became shareholders of Belair Financial Corporation (formerly: Transition Systems, Inc.). In view of the Corporation's recent name change, each holder of shares of Transition Systems, Inc. is requested to tender his shares to the Corporation's transfer agent, Bank of America, NT & SA, Corporate Agency Division, 111 West Seventh Street, Los Angeles, California 90014, which will issue to each shareholder certificates of Belair Financial Corporation evidencing the appropriate number of shares. A letter of transmittal and an addressed envelope is enclosed for your convenience.

In July, 1970, certain shareholders of the Corporation, which had been issued a discharge in bankruptcy in March, 1970, entered into an agreement with Mr. Walter G. Paul by the terms of which said shareholders agreed that they would use their best efforts to call a special meeting of the shareholders of the Corporation to be called and held in August, 1970, to approve (1) amending the Certificate of Incorporation of the Corporation to change its corporate name from Transition Systems, Inc. to Belair Financial Corporation, (2) to further amend the Certificate of Incorporation of the Corporation to provide for an authorized capitalization of ten million shares of common stock, par value $0.01 per share, (3) the sale of an aggregate of 1,845,000 shares of the Corporation's common stock, par value $0.01 per share, to new management and persons associated with new management for a total purchase price of $18,450 and to elect as directors of the Corporation, Walter G. Paul, David Lyons, Gary A. Aminoff, Arthur H. Maslansky and Julian Weiner. Mr. Paul was to transfer his life insurance agency business to the Corporation in the event the proposed amendments to the Certificate of Incorporation were adopted and the shares of the Corporation

sold as above set forth. The foregoing proposals were adopted at the special meeting of the shareholders of the Corporation held on August 17, 1970.

The number of shares issued to the aforementioned issuees were subsequently reduced from 1,845,000 shares, purchase price $0.01 per share, to 770,000 shares, purchase price $0.01 per share. In approximately November, 1970, differences arose between Walter G. Paul and the Corporation which resulted in a mutual desire to terminate the relationship between them. A settlement agreement was entered into by the Corporation and Mr. Paul in December, 1970, by the terms of which: (1) the number of shares to be issued to Mr. Paul and his nominee was reduced to 60,000 shares, of which 5,000 shares have been issued and (2) the Corporation waived any and all claims it may have had to the insurance business conducted by Mr. Paul. In October, 1970, Mr. Paul resigned as an officer and director of the Corporation. Various persons formerly associated with Mr. Paul in the operation of the life insurance agency conducted by him have agreed to remain as employees of the Corporation; management of the Corporation is informed that said persons were responsible for approximately 80% of the sales of life insurance by Mr. Paul's company.

Since October, 1970, the Corporation has, through wholly-owned subsidiaries, been engaged in the business of providing financial management services to 14 physicians pursuant to written management agreements. Under the terms of said agreements, the Corporation, or subsidiary, provides all clerical, bookkeeping, administrative and financial management services required in the physician's medical practice. Each of the said agreements is for a term of one year commencing on October 1, 1970. Each agreement shall be automatically renewed upon the same terms and conditions as set forth therein for nine successive one-year terms, each to commence immediately upon the expiration of the then current term. The agreements provide that each physician shall pay to such wholly-owned subsidiary of the Corporation during the term of said agreement and each renewal term, a management fee equal to the total of all costs and expenses incurred in connection with the performance of such services plus the sum of $15,600.

The issued and outstanding shares of common stock of such subsidiary corporations were acquired by the Corporation pursuant to Plans and Agreements of Reorganization by the terms of which the Corporation issued and delivered to

the seller 50,000 shares of the Corporation's common stock in exchange for all the issued and outstanding shares of common stock of the subsidiary corporation. The said 50,000 shares of common stock were deposited in an escrow, not to exceed a period of five years, by the terms of which the escrow holder is to release from said escrow and deliver to the physician the number of shares of the Corporation's common stock as is equal to the subsidiary corporation's after tax net income for each fiscal year.

By reason of delays incurred in connection with the issuance of the shares pursuant to said agreements, various physicians refused to make the monthly payments required under the terms of said agreements for the months of January and February, 1971. The total amount of said defaults was, as of February 28, 1971, the sum of $26,100. During the period between March 1 and March 15, 1971, said default was cured to the extent of approximately $13,000; an uncured default in the approximate sum of $13,000 remains as of the date hereof. Management has been informed that such defaults will be cured within the near future.

In the rendition of the aforementioned services, the Corporation competes with a substantial number of established companies. Many of such companies have substantially greater assets, experience and number of employees than the Corporation. The business of offering various financial services pursuant to management contracts to persons whose annual income substantially exceeds the national average may be adversely affected by downturns in general economic conditions and changes in the financial condition of the person to whom such services are rendered.

The Corporation has formed the following subsidiary corporations to engage in the business set forth after their respective names:

Name of Corporation	Principal Business
Belair Properties Corporation	Purchase, sale, development and management of real property.
Belair Insurance Corporation	Sale of life, health and disability insurance.
Belair Marketing Corporation	Sale of real estate and securities.

Belair Investment Management Corporation	Investment Advisor.
Belair Medical Management Corporation	Rendition of certain of the services to be rendered pursuant to the aforementioned agreements.

Only Belair Insurance Corporation and Belair Medical Management Corporation are currently active; to date, Belair Insurance Corporation has written insurance policies having a face amount of $2,505,000. Neither Belair Marketing Corporation nor Belair Investment Management Corporation shall engage in business until such time as said corporations have been qualified to engage in their respective businesses pursuant to applicable law; the businesses to be conducted by Belair Insurance Corporation, Belair Marketing Corporation and Belair Investment Management Corporation are subject to regulation by Federal and State Regulatory Agencies. The services engaged in or to be engaged in by Belair Properties Corporation, Belair Insurance Corporation, Belair Marketing Corporation and Belair Investment Management Corporation are highly competitive. Most of such competing companies are substantially larger and possess substantially greater assets than said subsidiaries or the Corporation.

One-half of the issued and outstanding common stock of Belair Medical Management Corporation is owned by the Corporation which has agreed in principle to acquire the balance of the issued and outstanding shares in exchange for 70,000 shares of the common stock of the Corporation.

In addition to the issuance of an aggregate of 715,000 shares to present management and associates and the issuance of 700,000 of the Corporation's common stock pursuant to the Acquisition Agreements referred to above, the Corporation has issued options to the Corporation's medical advisory board evidencing the right to purchase an aggregate of 37,500 shares of the Corporation's common stock on or before December 31, 1971 at and for the purchase price of $1.25 per share, subject to the approval of the California Department of Corporations, and has issued options to Mendlinger, Snyder, Inc., investment bankers, evidencing the right to purchase an aggregate of 77,000 shares of its common stock on or before December 31, 1976 at and for the purchase price of $1.20 per share. Said options were granted in consideration of consultation services to be rendered by the optionees to the Corporation.

On December 13, 1970, the Department of Corporations of the State of California issued its order suspending over-the-counter trading in the common stock of the Corporation in the State of California by broker-dealers. Said order was issued in view of (a) the lack of audited financial statements at that time, (b) the Corporation's lack of an established earnings record and (c) the fact that the Corporation was not deemed a viable company. The issuance of said order was consented to in advance by the Corporation.

The current officers and directors of the Corporation and their respective principal occupations during the past five years are as follows:

Name	Office Held	Principal Occupation
GARY A. AMINOFF	President and Director	Certified Public Accountant; President, Creative Funding Co., Inc., Beverly Hills, California real estate investments.
DAVID I. LYONS	Vice-President and Director	President of Belair Insurance Corp. and Belair Marketing Corp. formerly Supervisor of insurance sales and training, Walter G. Paul & Associates, Beverly Hills, California; Supervisor of training and sales, financial advisory clinic, Los Angeles, California.
ARTHUR H. MASLANSKY	Assistant Secretary and Director	Attorney at Law, member of the firm of van der Velde & Maslansky, Los Angeles, California, counsel to the Corporation.
PERRY POTKIN	Treasurer and Director	Certified Public Accountant, Los Angeles, California.
JULIAN H. WEINER	Director	Partner, Wolfson, Weiner, Ratoff & Lapin, Los Angeles, California, Certified Public Accountants.

CLARK VAN DER VELDE Secretary — Attorney at Law, member of the firm of van der Velde & Maslansky, Los Angeles, California, counsel to the Corporation.

A copy of the Corporation's audited financial statements as of September 30, 1970 is enclosed. The Corporation shall transmit to its shareholders audited financial statements for the six months ended March 31, 1971 as soon as the preparation thereof has been completed.

The Corporation has filed a Registration Statement pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended. The said Registration Statement contains additional information concerning the Corporation. Copies of the Registration Statement and the Exhibits thereto may be obtained from the Securities and Exchange Commission, 500 North Capitol Street, N.W., Washington, D.C. 20549, upon payment of the fee prescribed by the rules and regulations of the Commission or examined there without charge.

While there have been significant changes for your company during the current fiscal year, we believe we have established our foundation for the future and are poised to begin implementing plans for diversified financial services on a broad scale.

We will be happy to answer any inquiries.

Very truly yours,

BELAIR FINANCIAL CORPORATION

Gary A. Aminoff,
President

Enclosure

A-510

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

ONE WILSHIRE BUILDING
LOS ANGELES 90017

OPINION OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Shareholders and Directors
of Belair Financial Corporation:

We have examined the balance sheet of Belair Financial Corporation (formerly Transition Systems, Inc.) as of September 30, 1970 and the related statements of loss and deficit and application of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the Company at September 30, 1970 and the results of its operations and the application of its funds for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Haskins - Sells

January 11, 1971

A-511

BELAIR FINANCIAL CORPORATION
(Formerly Transition Systems, Inc.)

BALANCE SHEET, SEPTEMBER 30, 1970

ASSETS

CURRENT ASSETS:		
Cash		$ 100
Prepaid expenses		7,664
Total current assets		7,764
PROPERTY AND EQUIPMENT - At cost:		
Leasehold improvements	$22,189	
Furniture and office equipment	8,256	30,445
DEPOSITS		4,183
TOTAL		$42,392

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable		$35,849
Note payable		10,148
Due to officers		33,120
Total current liabilities		79,117
SHAREHOLDERS' EQUITY:		
Common stock, $.01 Par Value - authorized, 10,000,000 shares; outstanding, 205,000 shares	$ 2,050	
Deficit	(38,775)	
Shareholders' equity		(36,725)
TOTAL		$42,392

See notes to financial statements.

BELAIR FINANCIAL CORPORATION
(Formerly Transition Systems, Inc.)

STATEMENT OF LOSS AND DEFICIT
FOR THE YEAR ENDED SEPTEMBER 30, 1970

EXPENSES:	
Legal and accounting fees	$21,698
Salaries	6,144
Office supplies	3,306
Travel expenses	2,946
Taxes and licenses	1,766
Rent expenses	865
NET LOSS	36,725
DEFICIT AT BEGINNING OF YEAR	2,050
DEFICIT AT END OF YEAR	$38,775
Loss per common share	$.18

STATEMENT OF APPLICATION OF FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 1970

Net loss for the period	$36,725
Property and equipment additions	30,445
Deposits	4,183
Application of funds (Net decrease in working capital)	$71,353

See notes to financial statements.

A-512

BELAIR FINANCIAL CORPORATION
(Formerly Transition Systems, Inc.)

NOTES TO FINANCIAL STATEMENTS

1. GENERAL:
Belair Financial Corporation is the successor company to Transition Systems, Inc., which was discharged in bankruptcy in March 1970. Transition has had no operations for several years. In August 1970 the shareholders of Transition approved the name change to Belair Financial Corporation, and authorized an additional 9,700,000 shares of common stock.

2. PROPERTY AND EQUIPMENT:
All property and equipment was purchased in September 1970 and will be depreciated on the straight-line method over ten years, commencing October 1, 1970.

3. NOTE PAYABLE:
The 9% note payable is due in equal quarterly installments during the year ending September 30, 1971.

4. SHAREHOLDERS' EQUITY:
The deficit at the beginning of the year represents the par value of the 205,000 shares of common stock outstanding of Transition Systems, Inc. prior to its reorganization.

5. LEASE COMMITTMENTS:
The Company is committed under a lease to make annual payments of approximately $25,000 through 1980.

6. LOSS PER COMMON SHARE:
Loss per common share has been computed based upon the number of shares outstanding throughout the year.

7. DUE TO OFFICERS:
Amounts due to officers are non-interest bearing and unsecured. At September 30, 1970 such amounts were comprised of the following:

Due to G. A. Aminoff, President and Chief Executive Officer	$20,363
Due to W. G. Paul, Executive Vice President and Secretary	12,757(a)
Total	$33,120

(a) Resigned as an officer and director in October 1970.

8. SUBSEQUENT EVENTS:
Subsequent to September 30, 1970 the Company entered into agreements with physicians which provide for the rendering by wholly owned subsidiaries of the Company of nonmedical administrative services to such physicians. The agreements also provide for the issuance of 700,000 shares of the Company's common stock to the physicians. All of the shares were deposited in escrow and will be released from escrow over a five year period subject to fulfillment of certain requirements set forth in the agreements.

In December 1970 the sale of 770,000 shares of common stock at par value to present management was approved by the Department of Corporations of the State of California.

In January 1971 the Company issued options evidencing the rights to purchase 77,000 shares of its common stock at $1.20 a share. The options expire on January 11, 1976.

In January 1971 the Company also agreed in principle and subject to the approval of the Department of Corporations of the State of California to issue rights to purchase 37,500 shares of its common stock at $1.25 per share. The rights expire in December 1971.